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Automotive News

October 15, 1984

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Sales to crest in '84; Outlook sees downward trend for '85

By Michelle Krebs
Financial Editor

The new year will be ushered in on the sales crest of 1984, but the pace will slow dramatically by year's end, according to the latest Automotive News World Outlook.

The quarterly service of Data Resources, Inc., (DRI) and AUTOMOTIVE NEWS shows U.S. new-car sales in 1985 matching this year's 10.6 million level. However, the gangbuster level of sales in January will be drastically different from that at the end of 1985.

"While the year as a whole looks good, the year will start out at 11 million and fall to 10.2 million by year end," said John Hammond, DRI's North American economist.

"So while the 1985 annual number looks wonderful and looks like another good year, the pattern of sales will be down fairly significantly," he said.

That also means 1986 will be off to a slow start bringing U.S. sales to about 10.6 million for the year.

With sales volume tapering off next year, the battle will be for market share, and the squeeze will be put on the traditional domestic auto companies.

The World Outlook calls for voluntary import restraints on Japanese automobiles to be lifted or, at the very least, liberalized, and Japanese imports will increase from 1.85 million to about 2.1 million.

The European auto makers, whose sales were restricted in 1984 by the six-week German metalworkers' strike which cut production by 300,000 units, will not have that situation to contend with next year. They should enjoy further sales increases though not like those they have experienced in the past few years.

• DRI predicts a U.S. "growth recession" in 1985; that is, growth will continue but at more normal levels than the phenomenal advances of the past year. As a result, car demand will drop, Hammond said.

"All the things that made the consumer feel good will stop," said Hammond, who expects some segments of the economy to suffer a recession. "Consumers will become apprehensive of where things are going and will

Continued on Page 60, Col. 1

Dream car at Paris

The Quasar by Peugeot

It doesn't look like other Peugeots, but the French firm displayed this Quasar dream car at the Paris Auto Show. It uses carbon Kevlar and carbon fiber body construction and has a twin-turbo version of the company's 16-valve, 350-HP competition engine. Peugeot said it has no plans to produce the Quasar. Stories, other Paris show pictures are on Pages 2, 45 and 46.

NADA elects Symes to succeed Jennings

WASHINGTON. — William J. Symes will become president of NADA following the dealer group's convention in San Francisco next January.

Symes is president of Symes Cadillac, Pasadena, Calif. As head of NADA, he will succeed James P. Jennings, a Chevrolet dealer in Glenview, Ill.

James B. Woulfe, president of Shamrock Ford-Chrysler-Plymouth, Dublin, Calif., was elected NADA first vice president to succeed Symes.

Jack T. Price was elected secretary of NADA for 1985, and Anthony Ursomarso was re-elected treasurer. Price heads University Volkswagen, Albuquerque, and Ursomarso is president of Union Park Pontiac, Wilmington, Del.

Symes has been a new-car dealer and NADA member since 1952. In addition to his duties as NADA first vice president, he is also chairman of the NADA Industry Relations Committee.

He has served as treasurer of the association and as a member of the Public Relations Membership and Finance committees.

Woulfe has been NADA director for Northern California since 1970 and is currently an NADA regional vice president. He is a past secretary of the association.

Price is serving his second term as NADA director for New Mexico. He is a past president and vice president of the

Continued on Page 59, Col. 4

William J. Symes

James B. Woulfe

New-car stockpile thinned by strike to 11-month low

By Kathleen Hamilton
Assistant Managing Editor

Strikes against General Motors took their toll on U.S. car inventories last month, dragging the total down to the lowest level since November, 1983.

But the stockpile of new U.S.-built cars at factories and dealerships was better balanced at Ford Motor Co., Chrysler Corp. and Volkswagen of America.

That meant improved sales at Chrysler and Ford — so much that they offset the sales-rate loss at GM and turned around the industry sales rate which had been declining since May.

On Oct. 1, there were 1,266,201 U.S. cars in inventory, a decline from the Sept. 1 level of 1,277,484 and the sixth straight monthly decline. On Oct. 1, 1983, there were 1,195,755 cars in stock.

The latest figure is the equivalent of 54 selling days' worth of domestic cars, compared with 57 days a month earlier and 55 days a year earlier.

Honda's stockpile of Ohio-built Accords is worth more than a mention: It had only one day's worth. But that apparently didn't deter its sales force: The sales pace for that model picked up during the month.

As noted in the import-inventory article this week, Honda's import stockpile wasn't much better: Eight days. Combined, Honda had a seven-day supply of cars in dealer and port inventories.

• At GM, only Pontiac improved its inventory level and was able to maintain its sales rate. Once again, Buick, Cadillac and Oldsmobile sales were

Continued on Page 62, Col. 2

breaking news

GM to anounce joint venture

LAS VEGAS.—A joint venture between General Motors and a European firm is expected to be announced by the auto maker today at the SEMA show here. Reportedly, the limited partnership will be involved in the performance market.

R&D cooperation approved

WASHINGTON. — U.S. automakers were ostensibly put on the same footing as their Japanese counterparts in the area of R&D last week as President Reagan signed legislation permitting competing companies to join in research and development projects without fear of violating antitrust laws. The measure makes it easier to form a joint venture, puts a limit on antitrust penalties resulting from such ventures and tires to keep frivolous antitrust suits from being filed by allowing a defendant to collect attorney's fees from the plaintiff if the suit is frivolous.

See BREAKING NEWS, Page 8, Col. 1

He'll develop, coordinate French firm's strategy in North America

Tippett has major role in AMC-Renault program

By Richard Johnson
Detroit Reporter

American Motors Chairman W. Paul Tippett said last week that it will be six months to a year before a new organization that will implement Renault's long-range plans for North America begins to take shape.

Meanwhile, Tippett, who was recently handed the task of developing and coordinating Renault's North American strategy, said he has entered the "collection mode" of his new job, studying the French auto maker's diverse operations on this continent.

Tippett is continuing as chairman of the AMC board and will serve as chairman of the Executive Committee of the board, replacing former AMC Chairman Roy D. Chapin Jr. in that post.

Jose Dedeurwaerder, a longtime Renault executive and AMC's president and chief operating officer since 1982, has been elevated to chief executive officer at AMC.

In the late 1970s, Renault acquired 46 percent of AMC. Five of the corporation's 14 board members are from Renault.

Tippett, AMC's chairman since January, 1982, said the time was right for him to step away from the day-to-day helm at the country's fourth largest car maker and devote a substantial chunk of his time to serving as "senior advisor" of North American operations for Renault.

"Renault has a major commitment in North America and they believe we could be useful in helping them develop the strategy," said Tippett. "They are, I think, pleased with the job we've been able to do at American Motors and thought maybe we could help them in other areas.

"Now that was a big enough job that I really couldn't do it part-time, one hour a day," he said. "We and the board felt it was important to go public with the fact that we are taking this job on, and at the same time relieving me of some of the day-to-day decisions.

• "We concluded it was best to make Jose chief executive officer, staying as president, so that he can make all the decisions," Tippett added.

"He's the top executive officer on decisions that don't have to be referred to the board. I'll still be chairman of the board so, obviously, I'll stay close to American Motors and have input into important decisions at board level. But Jose has done such an outstanding job it was time to kind of give him the

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Yugo price worries Mich. Congressman

By John A. Russell
New York Staff Writer

NEW YORK. — The $3,990 price tag of Malcolm Bricklin's Yugo 55 raised the hackles of Rep. Dennis M. Hertel, Michigan Democrat, who last week requested the International Trade Commission (ITC) to launch an investigation "to prevent possible market disruption."

But Hertel's staff apparently did not do its homework as sources in the ITC said that they do not start investigations of any sort at the behest of a single congressman and under normal circumstances the product has to be landed and sold before dumping investigations are started.

Hertel's Detroit-area district has a concentrated population of people who work in the domestic auto industry. However, Brian O'Malley, the congressman's legislative assistant, denied that this was an election-year gambit on Hertel's part.

As for Bricklin, he termed the announcement "a great thing to happen to us (Yugo America, Inc)," and he said he may even use the congressman's quote of a "too-good-to-be-true" price in his advertising.

The tempest in a teapot started two weeks ago when a member of the congressman's staff saw an article about Bricklin in a national newspaper.

Christine Bricker, one of the congressman's aides, said the price of the Yugo 55 made the congressman suspicious, so he sent a letter requesting the investigation to the ITC.

According to a prepared statement, Hertel expressed disbelief in the price.

The statement said that auto maker Zavodi Crvena Zastava, the Yugo manufacturer, "is completely controlled by the Communist government of Yugoslavia and since the price of this auto appears to be lower than fair value, it indicates either massive subsidies or the use of slave labor."

O'Malley claimed the congressman meant "forced labor" while Bricker termed it a "purely rhetorical phrase."

Hertel claimed the manufacturer was government-controlled, which, according to the Yugoslav Chamber of Economy Trade Promotions, is untrue and companies in Yugoslavia are permitted to negotiate their own contracts (AUTOMOTIVE NEWS, Aug. 27).

Hertel's staff was also not aware that Yugoslavia has "most favored nation" trading status with the U. S.

O'Malley said Hertel wanted an investigation since the ITC has broad investigatory powers.

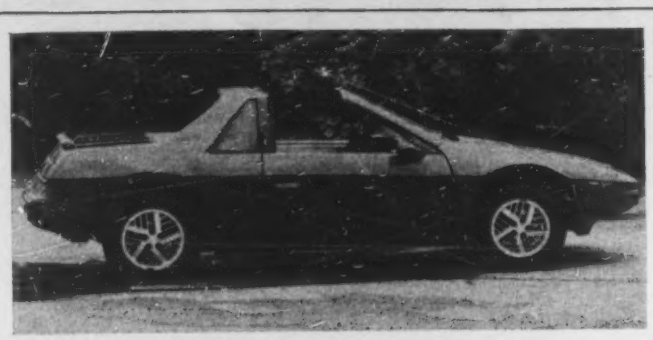
Sources at the ITC said that they do not have such powers. A spokesman in ITC Chairman Paula Stern's office said the agency would not launch a "lower than fair value" or dumping investigation unless it was petitioned by a company or the workers of the industry affected.

This is a formal legal proceeding which requires "standing" or vested interest in the case. Hertel does not have this.

The ITC does do a probe called "Section 332" investigation which analyzes impact on an industry. This is not binding and can be equated with a market study.

The ITC spokesman said "no single congressman" can re-

Continued on Page 61, Col. 4



Topless Fiero to be exhibited

Auto Dyne, Utica, Mich., will show its topless Pontiac Fiero at the 14th annual South Florida Auto Show, Oct. 27-Nov. 4 at the Miami Beach Convention Center.

Import stocks trimmed; 24-day supply on hand

By Kathleen Hamilton
Assistant Managing Editor

The inventory of imported cars fell to 179,171 on Oct. 1, the lowest level since AUTOMOTIVE NEWS began tracking import inventories in mid-1981.

It was the third month-to-month decline. On Sept. 1, there were 184,513 new imported cars in stock at importers and dealerships. On Oct. 1, 1983, the total was 199,339.

The widespread shortages resulted in sales declines during September. Because days-supply figures are computed using sales rates, the days' supply of imported cars rose slightly for the month, to 24 from 23½ on Sept. 1.

Sales of German cars began returning to normal as supplies filled out after the German metalworkers' strike, but this time Jaguar's stocks were depleted by a strike, leaving it with only eight days' worth of cars.

Sales increases accounted for the lower days-supply figures for Audi, BMW and Volkswagen imports.

Among the other European makes, Renault's sales slump and continued shipments accounted for its high figure. Saab's inventory level returned to nearer normal after model changeover, but its September sales clearly were hurt by shortages.

And International Automobile Importers — importer of the Bertone and Pininfarina sports cars — reached an estimated two-year supply on the basis of slow sales.

Mitsubishi's 17-day supply of cars — compared with 63 days' worth a month earlier — was the result of a 50-percent sales-rate increase and no new shipments landing during the month.

The Oct. 1 shares by country of origin were Japan, 61.17 percent; Germany, 22.33 percent, and other European countries, 16.50 percent.

One month earlier, the shares were Japan, 61.38 percent; Ger-

Continued on Page 62, Col. 1

SERVICE INDEX
110.3*

	Aug., '84 vs. Aug., '83	8 mos., '84 vs. 8 mos., '83
Gross Profit on All Labor and P&A Sales	+14.3%	+18.1%
Repair Orders Written	+ 5.3%	+ 8.0%
Total Labor Sales (Customer & Warranty)	+13.3%	+17.8%
Shop Parts Sales (Customer & Warranty)	+13.5%	+23.2%
Sales of All Parts and P&A	+ 8.5%	+18.2%

*—Survey by Automotive News shows that dealers' service and parts business in Aug., 1984, was 110.3 percent of business in Aug., 1983. Service business in the eight months of 1984 was 116.5 percent of business in the corresponding period in 1983.

Shop business climbs again

By Francis J. Gawronski
Service Editor

Service and parts business done by new-car dealers recorded another solid advance in August, although the growth rate was not as robust as the increase achieved in July.

According to the Automotive News Service Index, August's service and parts volume amounted to 110.3 percent of the business done by dealers in the same month of 1983. The July increase in shop volume over the year-earlier month was 15.1 percent.

Although the growth rate dipped in August, the increase was the 18th consecutive in which parts and service volume in dealership shops has topped the comparable year-earlier month.

August also was the 16th straight month that all five indicators used in the Service Index showed gains.

Gross profit on all labor, parts and accessory sales — the most important indicator from the dealer's viewpoint — recorded the highest increase in August, 14.3 percent, over the profit for the same month a year ago.

Shop parts sales (those used in both customer-paid and warranty work) were up 13.5 percent in August, barely topping total labor sales (customer-paid and warranty) which were up 13.3 percent over the year-earlier month.

Sales of all parts and accessories were up 8.5 percent for August, while repair orders written climbed 5.3 percent above last year's total.

Figures used in the Service Index are averages compiled from reports on shop operations from a cross-section of the nation's dealerships.

All five indicators also registered healthy gains for the first eight months of 1984.

Shop parts sales topped all indicators with a gain of 23.2 percent, followed by sales of all parts and accessories, up 18.2 percent, and gross profit, up 18.1 percent.

Labor sales were up 17.8 percent for the January-August period, while repair orders written advanced 8.0 percent.

Chrysler UAW Council votes to reopen pact

By Marjorie Sorge
Labor Editor

The 250-member UAW Chrysler Council voted last week to seek a reopening of the Chrysler-UAW contract which is scheduled to expire Oct. 15, 1985.

UAW President Owen Bieber has informally mentioned a possible reopening to Chrysler Chairman Lee Iacocca and has indicated publicly that the union intends to try to reopen the Chrysler contract once negotiations are concluded with Ford and General Motors.

"He didn't fall off the chair, he didn't jump out the window, he didn't say yes and he didn't say no," Bieber said when questioned about Iacocca's reaction.

Iacocca has said the union and the company already have a contract and he expects it to be honored until its scheduled expiration date.

The union, however, has noted Chrysler resurgence. The company, which lost $3.27 billion from 1979 to 1981, earned a record $1.51 billion in the first half of 1984. During the 1979 to 1981 period, the UAW-represented workers made concessions worth more than $1 billion to help the company avoid bankruptcy.

The UAW wants to reopen the Chrysler pact early not only because of Chrysler's improved financial condition but also because the UAW wants to get Chrysler back on schedule with Ford and GM, with all contracts expiring at the same time.

Chrysler currently enjoys a labor cost advantage over Ford and GM of a little less than $1 an hour.

Getting Chrysler back on the pattern would probably mean the union would want the Chrysler workers to be paid the same as Ford and GM workers.

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Tighter standards due for survivors

Study sees supplier ranks thinning

By Geoff Sundstrom
Washington Reporter

WASHINGTON. — By 1990, original equipment manufacturers will use 20 to 30 percent fewer suppliers and will impose even more stringent quality and performance standards on those they retain, according to a wide-ranging supplier-industry forecast released by Arthur D. Little, Inc.

The study, The New U.S. Automotive Industry — Opportunities for Suppliers, said OEMs will come to rely increasingly on suppliers' research, design and engineering expertise from the time the vehicle is conceptualized, right on through actual production. For this reason, the study said, suppliers must understand all aspects of the vehicle systems as they relate to their specific components and must make investments necessary to upgrade facilities, quality control, data processing and in-house design capability.

The study predicted steady cyclical growth through the end of the decade in North American passenger-car sales. This growth is estimated at 2 percent per year from 1983 to 1990, with 12 million units expected to be sold in 1990.

Cyclical variations of plus or minus 1.3 million units around the trend line are expected to occur every four or five years, the study said.

• Projections of auto industry sales into the next century call for a slower overall growth of about 1.3 percent per year as the number of cars per 1,000 population nears the saturation point in the U.S. This number is less than half the 3-percent growth rate experienced in the last 10 years, A.D. Little said.

"The North American fleet will thus increase from 132 million units in 1980 to 150 million in 1990 and 170 million in the year 2000," according to the study.

"The proportion of small- and medium-sized cars in the fleet will increase at the expense of the large-car segment over the next 10-15 years," the study said.

Growth in the aftermarket will remain about constant with revenues projected at roughly $20 billion per year at the supplier level, the study said. The real change will be in the distribution of this market, as OEM suppliers gain market share due to the increased use of high technology and as owners rely more on auto dealers for repairs.

The study estimated that by 1990 the OEM aftermarket share will increase from 21 percent to 34 percent, although 25 percent

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GMC dealers welcomed to Philly

Philadelphia Mayor W. Wilson Goode, seated center, welcomes two new GMC light-truck dealers to Philadelphia, James V. Cataldi, left, president, Jim Cataldi Buick-GMC Truck, Inc., and Daniel H. Polett, right, president, Wilkie Buick-GMC Truck-Subaru Co. GMC officials taking part are, from left, C. N. Contor, Washington zone heavy-truck manager; Donald B. Buechler, Washington zone manager; Larry T. Bowles, Eastern Region sales manager, and Duncan A. Brodie, truck sales director, GMC Truck & Coach Operation.

Dealers report gains in truck-park sales

Truck-parts sales volume has increased this year over a year ago, according to almost all truck dealers responding to an AUTOMOTIVE NEWS survey.

Among heavy-truck dealers, 79 percent said business was up, 11 percent said business was down and 10 percent said business was the same as last year.

Three-fourths of the light-truck dealers reported business was up, while the remainder of dealers said volume was about the same as last year.

The largest gain in parts sales, 62 percent through June, was reported by an Eastern International dealer who said: "Construction work has dump trucks and associated trucks busy on two shifts. Some operate seven days a week."

This dealer anticipated strong parts sales for the next year.

More than 40 percent of the heavy-truck dealers said increased business was related in some way to improved economic conditions, but only 12.5 percent of light-truck dealers linked the economy to increased parts sales.

Two dealers said increases in parts sales were due to an upturn in service business.

A Northwest International dealer said "owners are repairing their vehicles at a faster pace."

A Midwest Ford dealer said he picked up a fleet account, and a Southwest Ford outlet reported that it took another truck line which has increased its parts sales.

A Midwest International dealer, whose parts business volume was about the same as last year, said "the parts market is very competitive. Price cutting is rampant. I believe many dealers do not know costs or their help doesn't."

Seventy percent of all truck dealers said the most effective method of maintaining contact with outside customers is to have salesmen call on them.

An International dealer in the Midwest said "outside salesmen are the most expensive way (to keep in contact with customers), but is the only way to maintain market share."

A Northeast Mack dealer said: "Our parts personnel call on customers directly. These are the same customers we see almost daily, but our people get out on the road for contact and goodwill."

• An International dealer in the Midwest, whose business is up 30 percent this year, called phone calls the best contact and

Continued on Page 39, Col. 1

GAC plans to buy facility in Ohio from Rockwell

ANN ARBOR, Mich. — General Automotive Corp. announced that it has reached agreement with Rockwell International covering the purchase of Rockwell's facility in Marysville, O.

A spokesman for GAC said the transaction, which is subject to several contingencies, is expected to be completed early in 1985.

GAC, international manufacturer of specialty vehicles, purchased the Flxible bus operations in Delaware and Loudonville, O., from Grumman Corp. in 1983.

Although plans for the Marysville facility were not released, GAC said the transaction was unrelated to the Flxible business and was not expected to have a significant direct effect on those operations.

Caterpillar extends 3208 Economy ratings

PEORIA, Ill. — Caterpillar Tractor Co. has introduced four new 2,200-RPM Economy ratings in its 3208 diesel truck engine. The new 3208s include 165 and 215-HP 49-state ratings, and 175 and 200-HP California ratings.

Caterpillar said the engines have "virtually unlimited application for private and for-hire delivery users." The company also said tests showed that its 215-HP engine achieved from 6.8 to 13 percent better fuel economy than competitive diesels.

truck industry news

Sales second-highest ever; Ford is No. 1

'84 models close to record

Retail sales of new trucks of all types in the U.S. were the second highest ever in the 1984 model year, with significant increases in all three major market segments.

Franchised dealers and factory outlets retailed 3,919,594 units in the period starting Oct. 1, 1983, and ending Sept. 30, 1984, according to preliminary factory reports.

The 1984 model total was 35 percent higher than the 2,903,867 trucks retailed in the 1983 model year and 2.7 percent below the alltime high of 4,028,294 established in the 1978 model year.

Ford dealers sold 1,150,474 new trucks in the 1984 model year, more than 42,000 units ahead of second-place Chevrolet. The total was 28 percent higher than the 898,648 Ford sales in the 1983 model year.

The model year ended on a record note with sales of 310,147 units in September, an increase of 11.7 percent over the year-earlier 277,600. In the first nine months of 1984, retailers sold 3,074,522 vehicles, up 34.6 percent from last year's 2,284,404 units.

Sales of light trucks in the 1984 model year were 34.3 percent higher than the previous year, rising from 2,727,452 units to 3,664,148. The Chrysler minivans and the downsized Jeep Cherokee and Wagoneer sparked the gains in light-truck deliveries.

• Heavy trucks made a big comeback in the 1984 model year with the strong upturn in the general economy.

Dealers and factory outlets retailed 200,507 Class 7 and 8 vehicles in the 12-month period, an increase of 54.6 percent over the year-earlier 129,698 units. Model-year sales of the mediums were up 17.6 percent, from 46,717 units a year ago to 54,939.

Light-truck sales in the first nine months of 1984 were up 33.7 percent to 2,869,897 units, compared with 2,146,502 the previous year.

Sales of the heavies soared 59 percent, from 100,880 a year ago to 160,357. Mediums retailed through September totaled 44,268 units, an increase of 19.6 percent over the previous year's 37,022.

During the 1984 model year, dealers retailed a record 1,573,897 compact trucks, an increase of 53.5 percent over the previous high of 1,025,404 units established in the 1983 model year.

In the first nine months of 1984, sales of the compacts totaled 1,286,260 units, an increase of 57.4 percent over last year's 817,024.

Through September, the domestic compacts accounted for

Continued on Page 60, Col. 3

Big increase is seen for trucks in Class 7

The need for single-axle tractors to move trailers in the city and twin trailers on the highway, as well as demand for larger straight trucks for city delivery, will boost Group 7 truck sales some 54 percent in the last half of the decade, according to Martin B. Labbe, director of the Transportation and Logistics Service at Data Resources, Inc.

Increased competition, as a result of deregulation, will force truck users to buy the more flexible Group 7 vehicles, Labbe told a recent DRI vehicle-outlook seminar in Detroit.

Labbe predicted average annual sales of Group 6 through 8 vehicles, including buses, will climb from 223,300 per year at this time to 329,700 by the end of the decade.

Sales of Group 4 and 5 trucks also will increase now that the excise tax has been lifted, he predicted.

As a result of deregulation, Labbe said he anticipates that large truck fleets, those with over 200 trucks, will get larger. Mid-size fleets, he said, would get "squeezed," and fleets with less than 20 vehicles will remain stable as "niche players."

• Owner/operators, he added, will thrive, but they will work under long-term contracts to carriers and shippers.

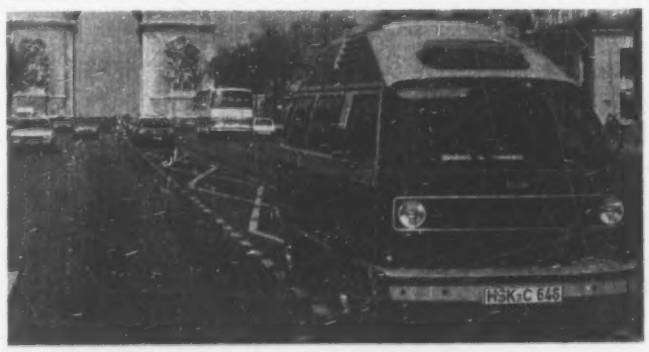
Labbe also predicted:

Private carriers will replace their single-axle tractors with dual axles to increase flexibility for backhauls.

Truck aerodynamics and fuel economy will continue to be important, but those truck operators with high-powered rigs, 350 HP and above, will continue to buy high power.

Antiskid-brake regulation will return because of the success of newer systems now in use in Europe.

Piggyback transportation by rail will make gains on truck transportation, but truck transportation will make even greater gains on boxcar transportation in the short term.



German land yacht

Volkswagenwerk and Dehler Yachtbau, the German boat builder, have combined to produce this high-roofed pleasure or business vehicle called the Profi. A drag coefficient of 0.39 is claimed. That low number is the result of modern manufacturing methods, optimum utilization of space, slick finish and highly efficient aerodynamic shape, Dehler says. Several rooflines and interior setups are being sold in Germany. At least one U.S. converter is eyeing the vehicle, VW says.

Peterbilt offers Cummins L10-300 in some models

NEWARK, Calif. — The new 300-HP Cummins L10-300 and Formula L10-300 diesels are now offered in a number of Peterbilt models.

Peterbilt Motors Co., which said it is the first manufacturer to offer the new engines, noted that they cost and weigh less, and are more fuel-efficient than any 300-HP engine on the market.

The diesels are available in Models 353, 359 and 362, and will be offered in Model 349—both construction and highway series—"soon after October," a Peterbilt spokesman said.

He said the L10-300 Series is the first of the L10 family to feature Cummins' "optimized aftercooling system," providing improved fuel economy and increased power and torque for better driveability.

"In this system, also known as low-flow cooling, the temperature of the coolant leaving the radiator is dramatically lower than in traditional systems," he said.

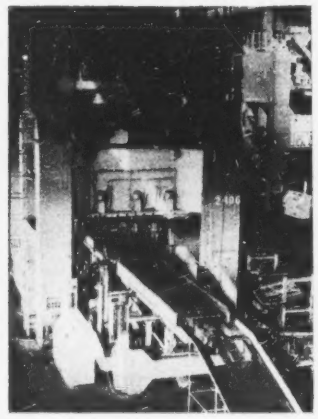
"The coolant is piped directly to the turbocharger aftercooler, which provides significantly lower intake-air temperature and results in superior combustion efficiency and engine performance," he added.

With a dry weight of 1,930 pounds, the L10-300 is as much as 700 pounds lighter than other engines in the 300-HP range, the spokesman noted.

The L10-300 is rated at 300 HP at 2,100 RPM with a peak torque of 950 foot pounds at 1,300 RPM, for a 27 percent torque rise. The Formula model develops 300 HP at 1,900 RPM with a peak torque of 950 foot pounds, for a 15 percent torque rise.

The Volga Automobile Associated Works (VAZ), also known as Togliatti, has an annual output of 700,000.

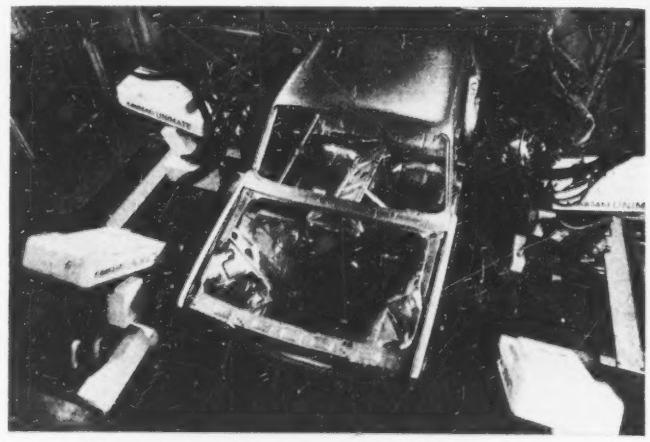
The front grille, body side moldings and styled wheel trims set apart the Lada Riva 1500 GLS from other Riva models.



The automated Komatsu transfer line.

An artist's drawing of the 1985 front-drive Lada 2108.

Nearly half of Togliatti's workforce are women.



Kawasaki Unimate robots for welding line.

Auto-making on the banks of the Volga

Togliatti plant accounts for half of Russia's car production

By Richard Feast
European Editor

For more than two centuries there was a township at Stavropol, 650 miles southeast of Moscow on the Volga River. Its 15,000 inhabitants lived a rural life as farmers and fishermen.

Their world changed in 1950, when construction began on a huge hydroelectric power station on the Volga. Stavropol disappeared under the lake created by the dam, as cheap electricity from the Lenin power station attracted chemical, cement, machinery and electrical equipment industries to the area.

When the power station was completed, there was manpower and construction equipment on the spot. On July 20, 1966, the Soviet Union decided it needed to build another passenger car plant. Forty regions angled for the project. That same year, in another world, Italy's Fiat 124 was voted European Car of the Year.

Fiat collaborated with the Soviets to build a car plant where Stavropol had been. Fiat planned the factory and provided the basic designs for the sedan it was to produce. The factory, widely known as Togliatti after the Italian Communist Party's most famous leader, is officially the Volga Automobile Associated Works, or VAZ for short.

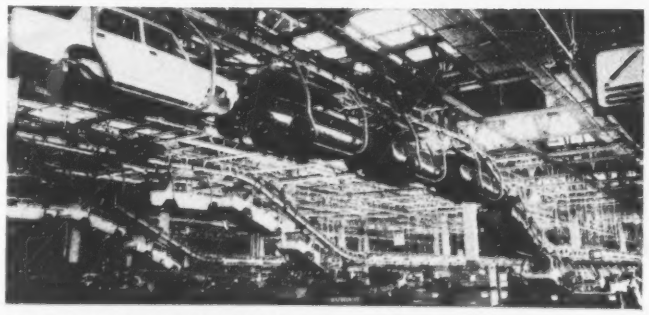
The first production car emerged on April 19, 1970. Within 3½ years it was working at capacity — 660,000 annually, 2,200 daily or one every 22 seconds. It has continued to do so ever since. The investments are said to be approximately $1.2 billion.

Togliatti's products are adaptations of that Fiat 124 design. They are known in the east as the Zhiguli, after a range of hills by the Volga, and in the west as the Lada, an old form of sailing boat which traded on the Volga.

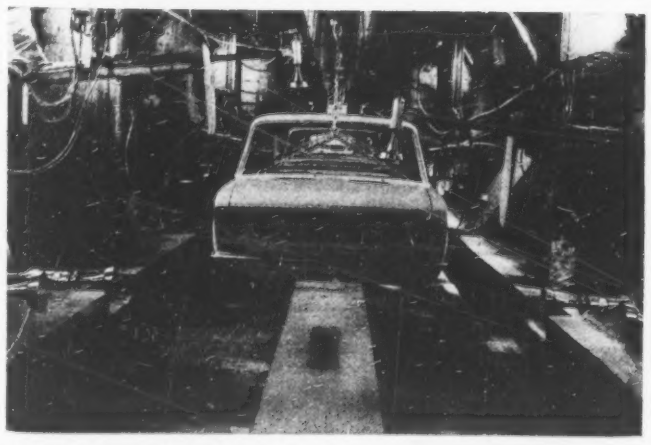
Since 1978 VAZ has produced — on a separate line — the Soviet-designed Niva 4x4. Next year the factory's planned output is 717,000, including 75,000 Nivas. This amounts to one in every two passenger cars made in the Soviet Union.

These huge volumes, combined with the depth of production, make some impressive statistics. VAZ employs some 150,000 people, 80,000 of whom are direct production staff. It covers 6.15 million square yards, 2.75 million of which are covered shops. Each of its three final assembly lines is over one mile long.

It has five main production shops: For sheet metal presswork; iron and aluminum foundries; mechanical component section; body assembly; and die and toolrooms. In addition, satellite plants have sprung up within a few miles. These supply components, as well as factory maintenance, service and catering. The task of providing meals for a single shift -- 40,000 people — in a 15-minute timespan creates its own special problems.



Making Ladas at Togliatti.



VAZ body painting line with robots.

Almost half the labor force—48 percent—are female, with the greatest concentration in final assembly. The average age in the area is only 29. As in the rest of the Soviet Union, children begin nursery school at 1½ years, freeing both parents for work.

The kindergartens, like the hotels, sports halls, health care centers, theaters, clubs and colleges, are part of the integrated VAZ works. There is no private enterprise. The factory supports the requirements of the employes. That is why the proportion of direct labor employed in the factory is only just over half the total payroll.

The average monthly wage is the equivalent of about $245. Between five and 10 percent is for living accommodations. This low rental is for space which is meagre by western standards but includes services like heating, lighting and for a nominal fee, telephone. Retirement for men is 65, for women 55. Retirement payments are about 60

Continued on Page 37

Lotsa Ladas

Below are the main markets in Western Europe where Ladas are sold. The figures include the Niva 4x4 and a handful of other Soviet products. While the overall average is about 1 percent for market share, the 24,000 sales in France means a market share of 1.2 percent, while almost 10,000 in Finland amounts to a slice of 8.2 percent. Statistics are from national associations, Lada Cars (GB) and Automotive Industry Data, Lichfield, England. □

Where Ladas are sold in Western Europe

Country	1980	1981	1982	1983	6 mos., 1984
Austria	2,555	2,596	2,059	1,639	863
Belgium	11,840	13,317	16,425	15,133	8,397
Denmark	3,196	4,386	5,070	4,900	2,357
Finland	9,409	10,015	10,715	9,807	6,229
France	13,069	19,744	24,185	24,135	12,475
Holland	5,555	6,662	9,244	9,252	4,388
Italy	1,747	447	1,304	619	N/A
Norway	2,300	3,677	3,972	3,208	1,296
Sweden	3,005	2,671	2,948	2,244	799
Switzerland	1,408	1,020	820	229	12
United Kingdom	13,043	15,508	16,752	19,225	7,755
West Germany	5,982	6,544	6,585	8,281	4,943
Total	73,109	86,587	100,079	98,672	49,514
Market share	0.79	0.95	1.08	1.01	0.94

world news briefs

Ford Escort: Turbocharged for international motor sports.

An Escort with urge

Ford is to build 5,000 turbocharged versions of its European Escort in order to qualify for the Group A category in international motor sports. The Escort RS Turbo has 132-HP, a quarter more than the XR3i on which it is based. The turbo is a Garrett AiResearch T3, and the result is a 125-MPH flyer. Use of a limited slip differential as standard is claimed to be a world first for a front-drive production car.

Opel improves

Net earnings at Adam Opel last year rose more than threefold to DM 299 million ($98 million). Sales revenues rose by 15.5 percent to DM 14.7 billion ($4.8 billion). At 955,000 units, production was down slightly, though overall in Europe, Opel (and Vauxhall) sales reached a record 11.1 percent. Setbacks in the first half of this year (metal workers' strike) should be overcome by 1985, believes chairman Ferdinand P. Beickler.

Double-deckers for U. S.

British - style double - decker buses may be assembled by Gillig Corp., Hayward, Calif., following discussions with BL's Leyland division. Leyland believes there is the potential for up to 10 percent of the 50,000 single-deck city bus market to be replaced by double-decker vehicles. The model selected by Gillig is the Olympian, now built at Workington in northern England.

AC into action

British sports car maker AC recently changed hands and, now located in Scotland, is to supply 200 vehicles a year for the next 10 years to a newly formed U. S. distribution company. It put a value of more than $31 million on the deal. Over the longer term, managing director David MacDonald talks of replacing the current ME3000 model with a new vehicle aimed specifically at the U. S. market.

Swedes favor Brazilians

Thirty percent of Ford's Swedish registrations in the first eight months of this year originated in Brazil. The recent South American sourcing for Escorts allowed Ford to move just ahead of VW-Audi as the leading importer in Sweden.

Engine changes

The Ford Sierra is to get a 1.8-liter engine option, mid-way between the 1.6 and 2-liter. Austin Rover's MG Maestro hatchback is to have the 2-liter fuel injection engine already seen on the Montego sedan.

BCA buys again

The British Car Auction group's expansion into the U. S continues. It has acquired, through its American subsidiary, Baltimore-Washington Auto Exchange Inc. and Brookdale Associates. It is BCA's 11th U. S. business.

GM marketing men change

Herman Vermeebergen has been appointed Opel marketing director in Belgium and Luxembourg. He succeeds E. van Loo, who has taken up a similar appointment at GM-Spain. Before his Belgium appointment, Vermeebergen was based in Athens, where he looked after American exports in Europe and the Middle East.

Change brewing at Lotus

A further change in the distribution of shares in Group Lotus is being discussed. Hazel Chapman, widow of the founder, may sell her shares, amounting to about 20 percent. Most likely purchasers would be David Wickins' BCA, which already has 25 percent, and/or Michael Ashcroft's Hawley Group, which has a minority stake in Lotus already.

Good July in Germany

Vehicle production in West Germany in July was 271,900, an increase of 20 percent over the same month one year earlier. The explanation lies in the fact that after the seven-week metal workers' strike in May and June, work continued during the vacation period in some plants on a voluntary basis. On a cumulative basis, the seven-month production total (2,172,-500) was 10 percent lower than one year earlier.

Confirmed

Perkins Engines has confirmed that the projected collaboration with Land Rover to produce a diesel V-8 for the Range Rover has been abandoned. But Land Rover is still looking for a suitable diesel power unit to broaden Range Rover's appeal.

Cosworth expands

Cosworth, the British engineering company which developed the 16-valve cylinder head for the new, sporty Mercedes-Benz 190, has opened a factory to specialize in precision casting of aluminum components. It will supply Daimler-Benz with up to 7,000 heads a year. Other auto companies — including some in the U. S. — are also in deep discussion with Cosworth.

Roadrunner arrives

Leyland Vehicles' Roadrunner truck, aimed at the 6.2 to 10 tonnes range, has been launched. Managing director Les Wharton acknowledges it will be a make-or-break truck for Leyland, a heavy loss-maker since the slump in demand for commercial vehicles. □

REGISTRATIONS OVERSEAS

UNITED KINGDOM
Cars

	8 mos., 1984	8 mos., 1983
Alfa Romeo	3,148	6,101
BL	223,858	240,943
Austin Rover	221,724	239,054
Range Rover	2,134	1,889
BMW	17,698	19,263
Daihatsu	3,762	3,687
Fiat Auto	37,531	38,339
Ford	367,821	407,602
FSO	3,888	3,139
General Motors	214,742	194,806
Honda	13,217	12,956
Hyundai	3,592	2,650
Jaguar	5,473	5,099
Lada	11,196	14,048
Lotus	390	288
Mazda	12,118	13,355
Mercedes-Benz	10,614	10,030
Mitsubishi	6,812	6,625
Nissan	72,371	69,252
Panther	169	65
Peugeot SA	72,213	81,302
Citroen	18,801	18,859
Peugeot/Talbot	53,412	62,443
Reliant	83	66
Renault	46,095	46,255
Rolls-Royce	508	491
Saab	6,324	7,008
Skoda	8,003	8,054
Subaru	1,771	2,235
Suzuki	2,239	2,342
Toyota	23,782	23,118
Volvo	43,180	45,113
VW-Audi Group	70,561	74,535
Audi	14,756	14,903
Volkswagen	55,805	59,632
Zastava	4,036	3,010
Others	3,209	3,576
Total	1,290,775	1,345,577

SWEDEN
Cars

	8 mos., 1984	8 mos., 1983
Alfa Romeo	733	506
BMW	2,875	2,553
Daihatsu	620	646
Fiat Auto	4,210	3,210
Ford	17,058	13,293
General Motors	14,264	13,057
Honda	2,341	1,937
Jaguar	26	14
Lada	1,020	1,306
Mazda	7,034	7,516
Mercedes-Benz	3,610	2,827
Mitsubishi	1,043	1,004
Nissan	4,475	3,562
Peugeot SA	4,852	3,931
Citroen	2,323	1,712
Peugeot/Talbot	2,529	2,219
Porsche	228	141
Renault	1,690	1,472
Saab	17,956	17,627
Skoda	211	243
Subaru	371	378
Toyota	5,565	5,170
VW-Audi Group	17,008	13,829
Audi	4,059	2,976
Volkswagen	12,949	10,853
Volvo	36,591	35,807
Others	14	10
Total	143,796	130,039

WEST GERMANY
Cars

	7 Mos., 1984	7 Mos., 1983
Alfa Romeo	8,448	7,819
Austin Rover	4,677	2,572
Bertone	580	635
BMW	98,071	104,007
Daihatsu	4,017	3,910
Ferrari	207	N/A
Fiat Auto	69,959	62,894
Ford	186,082	189,723
General Motors	260,516	306,295
Honda	25,354	20,794
Isuzu	1,682	495
Jaguar	1,126	519
Lada	5,694	5,168
Mazda	43,036	36,739
Mercedes-Benz	133,765	153,171
Mitsubishi	27,910	24,603
Nissan	38,469	28,598
Peugeot SA	63,753	59,400
Citroen	25,660	27,814
Peugeot/Talbot	38,093	31,586
Pininfarina	462	456
Porsche	7,390	7,985
Renault	55,463	55,603
Saab	2,429	2,355
Seat	3,061	208
Skoda	1,386	1,026
Subaru	4,298	3,222
Suzuki	8,928	8,300
Toyota	33,183	31,727
VW-Audi Group	417,347	453,324
Audi	89,405	117,604
Volkswagen	327,942	335,720
Volvo	9,961	9,806
Others	793	823
Total	1,518,047	1,582,419

AUSTRIA
Cars

	7 Mos., 1984	7 Mos., 1983
Alfa Romeo	1,739	1,896
BL	150	316
BMW	5,327	5,998
Daihatsu	466	649
Fiat Auto	10,445	9,355
Ford	14,327	13,433
General Motors	17,851	22,368
Honda	2,860	2,819
Lada	886	1,082
Mazda	13,727	17,386
Mercedes-Benz	4,016	5,152
Mitsubishi	2,817	2,944
Nissan	6,699	10,474
Peugeot SA	9,825	9,876
Citroen	4,209	4,310
Peugeot/Talbot	5,616	5,566
Porsche	336	356
Renault	6,609	7,472
Saab	279	331
Seat	477	54
Skoda	677	607
Subaru	1,193	2,281
Suzuki	766	649
Toyota	6,293	7,259
VW-Audi Group	25,769	32,706
Audi	4,618	7,899
Volkswagen	21,151	24,807
Volvo	2,289	2,517
Others	81	22
Total	136,104	158,002

JAPAN
Cars

	6 mos., 1984	6 mos., 1983
Daihatsu	58,636	53,804
Fuji	41,617	34,942
Honda	126,415	111,860
Isuzu	22,685	30,383
Mazda	111,974	125,520
Mitsubishi	103,426	87,462
Nissan	416,820	400,317
Suzuki	40,363	44,075
Toyota	648,249	580,968
Imports (all)	20,238	16,968
Total	1,590,396	1,486,166

Vans, trucks, buses

Daihatsu	156,850	133,235
Fuji	109,162	99,745
Hino	20,972	18,615
Honda	73,005	86,318
Isuzu	62,760	60,178
Mazda	82,413	75,325
Mitsubishi	163,305	154,692
Nissan	143,040	141,573
Nissan Diesel	11,469	9,691
Suzuki	192,249	191,265
Toyota	183,450	186,615
Imports	83	0
Total	1,198,758	1,157,252
Total vehicles	2,789,154	2,643,418

FRANCE
Cars

	5 Mos., 1984	5 Mos., 1983
Alfa Romeo	9,440	12,300
Aro	568	157
Austin Rover	13,476	13,375
BMW	13,734	14,402
Ferrari	36	72
Fiat Auto	42,676	38,673
Ford	61,583	64,619
General Motors	32,184	34,805
Honda	2,638	3,415
Innocenti	669	658
Jaguar	73	88
Lada	10,400	10,714
Mazda	4,068	6,061
Mercedes-Benz	7,652	6,793
Mitsubishi	1,454	1,592
Nissan	5,374	7,227
Peugeot SA	253,625	287,020
Citroen	102,155	117,622
Peugeot	130,409	123,687
Talbot	21,061	45,711
Polski	805	911
Porsche	672	759
Renault	242,735	304,095
Saab	430	312
Seat	5,552	11
Skoda	1,703	2,282
Toyota	4,649	6,025
VW-Audi Group	41,340	52,654
Audi	10,905	11,818
Volkswagen	30,435	40,836
Volvo	6,959	5,879
Zastava	584	868
Others	49	27
Total	764,290	875,350

PRODUCTION OVERSEAS

JAPAN
Cars

	6 mos., 1984	6 mos., 1983
Daihatsu	89,230	96,012
Fuji	126,790	112,789
Honda	429,555	421,464
Isuzu	36,831	56,521
Mazda	392,460	447,266
Mitsubishi	254,811	259,856
Nissan	955,699	921,465
Suzuki	79,752	58,001
Toyota	1,247,761	1,193,288
Total	3,612,889	3,566,662

Vans, trucks, buses

Daihatsu	199,394	172,628
Fuji	153,165	153,469
Hino	29,931	25,629
Honda	75,092	92,577
Isuzu	154,972	124,566
Mazda	188,523	148,429
Mitsubishi	262,219	232,169
Nissan	327,145	328,941
Nissan Diesel	19,412	16,969
Suzuki	257,058	254,059
Toyota	511,868	462,452
Total	2,179,183	2,012,246
Total vehicles	5,792,072	5,578,908

UNITED KINGDOM
Cars

	6 mos., 1984	6 mos., 1983
BL	211,988	240,679
Austin Rover	189,378	219,079
Jaguar	17,182	14,640
Range Rover	5,428	6,960
Carbodies	773	1,142
Ford	167,299	174,141
Lotus	442	280
Panther	204	N/A
Reliant	58	47
Rolls-Royce	1,097	889
Talbot	56,839	66,773
TVR	169	128
Vauxhall	67,698	68,975
Others	326	350
Total	506,893	553,404

Vans, trucks, buses

Bedford	29,141	25,501
BL	37,093	46,182
ERF	806	777
Foden	413	327
Ford	57,392	55,724
Hestair Dennis	479	372
Metro Cammell Weymann	234	196
Reliant	118	39
Renault	2,117	2,514
Seddon Atkinson	918	610
Others	145	404
Total	128,856	132,646
Total vehicles	635,749	686,050

BRAZIL
Cars

	6 mos., 1984	6 mos., 1983
Farus	16	45
Fiat Auto	43,612	60,140
Ford	73,061	65,807
General Motors	79,815	101,509
Gurgel	21	0
Puma	81	123
Sta Matilde	32	6
Toyota	76	97
Volkswagen	143,627	185,004
Total	340,341	412,731

Vans, trucks, buses

Agrale	274	77
Fiat Auto	14,420	12,655
Fiat Diesel	237	153
Ford	20,197	15,533
General Motors	11,404	8,843
Gurgel	415	595
Mercedes-Benz	13,497	11,087
Puma	12	18
Scania	1,650	965
Toyota	1,495	1,013
Volkswagen	5,934	4,037
VW Caminhoes	2,873	2,041
Volvo	892	693
Total	73,300	57,710
Total vehicles	413,641	470,441

The old and the new

Compared with the old Renault 5 in the rear, the new R5 in the foreground is a little longer and wider but not as tall. Renault plans to build 525,000 annually at plants in Belgium, Spain and Portugal.

Can Superfive regain European crown for its maker?

Renault banks heavily on new R5

Continued from Page 22

lion ($420 million) investment has been spent.

The car will also be built at the Brussels, Belgium, factory, and at the Renault plants in Spain and Portugal. Lower range models will be assembled at Billancourt, the island factory in the Seine where Renault was founded.

Over the longer term Renault would like to wind down manufacturing at Billancourt, replacing it with an environmentally more acceptable engineering and training center.

By early next year Renault will be building R5 at the rate of 2,000 a day, though 2,500 a day is a more likely forecast in view of the sales ambitions for the car.

The aim is to return to the 5 percent-plus of the European new-car market that the R5 enjoyed during 1980-81. At current rates that means annual sales of 525,000. Renault believes it was still leader in the category last year, even though its share was down to 3.6 percent. It estimated its nearest rivals were the Ford Fiesta at 3.25 percent, Fiat Uno with 3.04 percent and the Opel Corsa/Vauxhall Nova and Austin Rover Metro with about 1.7 percent each.

The supermini category itself has been steadily growing, from 17.6 percent of total in 1978 to approximately 22 percent — 2.2 million cars — last year.

Renault has reduced the number of production hours required to build the car. It lists 20 hours today — a time that will decrease, it promises — compared with 24 hours for the old R5.

The new car is a little longer and wider, but not quite as tall as the old model. Wheelbase is 62.4 inches, and length 141.4 inches. There is substantially more interior space, with front shoulder space increased by 2.7 inches to 53.6 inches, for example. Fuel tank and trunk space are increased, too.

Weight-savings were made all around. The most basic version weighs some 1,532 pounds compared with 1,587 pounds for the equivalent old model. The body in white is 26 pounds lighter at 486 pounds.

Together with a lower drag-coefficient, this adds up to useful fuel consumption gains on what was one of the most economical models on the market According to Renault calculations, on the 550 mile drive from Brussels to Lausanne, the most economical R5 would average the equivalent of 51.1-MPG (U. S.). Using the same test on its rivals' most economical models, Renault came up with 49.0-MPG for the Peugeot 205, 48.9-MPG for the Fiat Uno, 47.1-MPG for the Metro, 45.9-MPG for the Ford Fiesta, 43.0-MPG for the Opel Corsa and 39.6-MPG for the VW Polo.

While power units are carry-overs from the old model, they are now mounted transversely. This requires the use of the R9/11-type gearbox. Torsion bar front suspension has been replaced by MacPherson struts. Torsion bars are retained at the rear, but occupy less space. Anti-sway bars are used at both front and rear, though Renault has retained the soft, long travel suspension of the old one. On the road, the new car has far less pronounced body roll. It is more European than French.

Initially, four equipment levels, three types of gearbox and five different engines combine to produce a 10-model range. Power units range from a 42-HP gasoline to a 72-HP gasoline. Plans are in hand to produce a limited number (5,000) of special Turbo Coupe models, powered by a 115-HP engine from the R9.

auction directory

MISSOURI

WEDNESDAY
OCTOBER 31, 1984
11:00 AM

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OF OUR NEW BUILDINGS AND GROUNDS

- Acres of Auction Action overlooking downtown Kansas City
- Three Auction Lanes
- Efficient administrative offices to speed transactions
- Plenty of parking
- On premises dining for 150
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WILL FEATURE:

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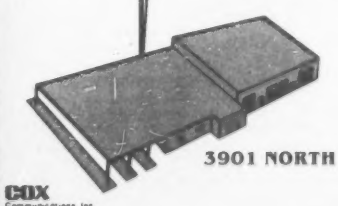

THE ALL NEW KANSAS CITY KC AUTO AUCTION

3901 NORTH GREAT MIDWEST DRIVE, KANSAS CITY, MISSOURI 64161

816/452-4084

COX Communications, Inc.

factories list auction dates

General Motors

Oct. 17—Clanton's Auto Auction, Darlington, S. C., and Brasher's Salt Lake Auto Auction, Salt Lake City.

Oct. 18—Butler Auto Auction, Gibsonia, Pa.; Arena Auto Auction, Chicago, and Dallas Auto Auction, Dallas.

Oct. 23—Florida Auto Auction of Orlando, Ocoee, Fla., and Aptco Auto Auction, Taylor, Mich.

Oct. 24 — Brasher's Southern California Auto Auction, Fontana, Calif.

Oct. 25—Floyd Hauhe Auto Auction, Bridgeton, Mo.

Oct. 31—Hatfield Auto Auction, Hatfield, Pa., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Chrysler Corp.

Oct. 16 — Harrisonburg Auto Auction, Harrisonburg, Va.

Oct. 23—Aptco Auto Auction, Taylor, Mich.

Oct. 24—Lakeland Auto Auction, Lakeland, Fla.; Brasher's Southern California Auto Auction, Fontana, Calif.

Oct. 25—Nashville Auto Auction, Nashville; 166 Auto Auction, Springfield, Mo.

Nov. 1—Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; Skyline Auto Exchange, Fairfield, N. J.

American Motors

Oct. 16—D-A Auto Auction, New Stanton, Pa.

Oct. 18—Evansville Auto Auction, Evansville, Ind.; Todd Auto Auction, Telford, Pa., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Oct. 23—High Point Auto Auction, High Point, N. C.

Oct. 24—Southern Auto Auction, Warehouse Point, Conn.; Metro Milwaukee Auto Auction, Caledonia, Wis.; Columbus Fair Auto Auction, Obetz, O.; Kansas City Auto Auction, Kansas City, Mo., and Central States Auto Auction, Mason City, Ia.

Oct. 25—Evansville Auto Auction, Evansville, Ind.; Corry Auto Auction, Corry, Pa., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Oct. 26 — Floyd Hauhe Auto Auction, Bridgeton, Mo., and Concord Auto Auction, Acton, Mass.

Oct. 30—D-A Auto Auction, New Stanton, Conn.

Used Car Sales

Auction Averages

October to date	$5,111
Month ago	$4,990
Year ago	$5,331

Model breakdown

Auction Averages

	OCT. To Date	SEPT. 1984	AUG. 1984
1984	$9,738	$9,747	$9,846
1983	7,471	7,364	7,926
1982	6,203	5,762	5,978
1981	5,087	5,020	5,230
1980	4,038	4,932	4,494
1979	3,102	3,237	3,632
1978	2,350	2,346	2,551
1977	1,567	2,213	1,997
Overall Average	$5,111	$4,394	$5,316

Automotive News World Outlook examines U. S. market

Sales to taper off through 1985

Continued from Page 1

start to save instead of spend in case they are laid off."

In addition, there is less pressure from pent-up demand than has been the case since 1983, despite the aging of the U.S. car fleet, which now averages 7.5 years. The aging fleet will not be enough to bypass a slowdown, Hammond said.

"The problem of the aging fleet provides a foundation for increased car sales but in and of itself doesn't create a surge one year and a recession the next year," he said.

"It prevents a recession from being severe and makes a boom year a record year," he added. "All it really does is push in the direction already established. Since the trend will be downward, it won't let car sales fall through the floor, but it isn't strong enough to stave off a temporary downturn."

Yet, that downturn won't be anything like the last recession and actually may be good for the economy, Hammond noted.

The economy needs a breather from its break-neck pace to put it back into balance, he said. "Otherwise the economy would suffer exaggerated downturns. If it doesn't slow down in 1985, we'll pay serious consequences later," Hammond warned.

• For the longer term, the traditional U.S. domestic companies have serious problems with which to contend. Though 1990 is expected to be a record 11.8-million-unit year, the traditional domestic companies may not benefit.

The Japanese will gradually increase imports to the U.S., though they will be cautious, as will the Europeans, because of threats of trade restraints or local content legislation, Hammond said.

Japanese and European imports will gobble up to 40 percent of that record 1990 U.S. market, according to DRI, meaning the traditional domestics will have only a 7-million-unit year, compared with this year's 8.2 million.

That's an important fact for suppliers and dealers, especially smaller ones, to realize, Hammond cautioned, and they must change the way they do business.

"They must try to penetrate new production from the Japanese and get a piece of the growing Mexican market," he said. "They can't sit back and rely on the fact that car sales will be increasing—or they'll be eaten up."

European auto makers, at the same time, will continue to enjoy some growth because their fundamental market—the 35-to-40-year-old buyer—will become more and more affluent.

However, at home, the European auto makers will be faced with challenges of their own.

The World Outlook has been downgrading European demand throughout the past year. Demand for 1984 now stands at 10.35 million units compared with the 10.43 million predicted last May and the 10.44 million forecasted a year ago.

European growth throughout the decade will be modest, peaking at 11.5 million in 1990, according to the forecast.

• While U.S. auto makers have earned huge profits through increased volume and cost controls, the European auto makers as a group will report losses for the fifth consecutive year, John Lawson, DRI's London-based economist, noted.

In the coming years, the Europeans will have to take drastic cost control measures as Detroit's auto companies have in the past few years. At the same time, they must find ways to finance huge capital spending programs for new products, Lawson said.

Lawson expects some cost-control measures to take the form of cooperative ventures, either between European companies or between European and Japanese companies. The European companies also may follow the pattern of U.S. car makers and increase outsourcing.

In addition, there is pressure on the European auto makers for price harmonization, the effect of which for the short term will be to reduce car prices but will cause further erosion of the manufacturers' revenue base, Lawson said.

Also, European nations are contemplating emission control standards. Germany already has passed a law requiring new vehicles to use lead-free fuel by 1989. Other nations probably will follow suit. That translates into more capital spending for those already-strapped companies.

The strong U.S. dollar, which has created a money machine for European car makers exporting to the U.S., is bound to weaken sometime during the decade, Lawson said, further complicating the plight of the European car companies.

STATEMENT REQUIRED BY THE ACT OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, JULY 2, 1946 AND JUNE 11, 1960 (74 STAT. 208) SHOWING THE OWNERSHIP, MANAGEMENT AND CIRCULATION OF

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(This information is required by the act of June 11, 1960 to be included in all statements regardless of frequency of issue.)

I certify that the statements made by me above are correct and complete.

JACK H. LOWRY, business manager.

1,000 Volvos sold

Greg Peterson, of Park Ten Volvo, San Antonio, has become a member of the Volvo Hall of Fame, an honor gained by selling 1,000 new Volvos.

AUTOMOTIVE NEWS WORLD OUTLOOK

Generated by Data Resources, Inc.

(Thousands of Units)

	1983	1984	1985	1986	1987	1988	1989	1990
NEW-CAR REGISTRATIONS								
Western Europe*	10,474	10,352	10,720	10,874	11,145	11,189	11,387	11,468
U.S. (Sales)	9,178	10,597	10,577	10,454	10,785	11,234	11,534	11,773
Japan	3,136	3,239	3,265	3,425	3,374	3,468	3,527	3,629
NEW-TRUCK REGISTRATIONS								
Western Europe**	1,082	1,059	1,111	1,146	1,147	1,173	1,200	1,219
U.S. (Sales)***	3,147	4,128	4,340	4,275	4,539	4,801	5,014	5,219
CAR PRODUCTION								
Western Europe*	11,104	10,654	11,248	11,249	11,438	11,483	11,667	11,765
U.S.	7,715	8,677	8,878	8,543	8,695	8,905	9,312	9,439
Japan	7,152	7,308	7,487	7,652	7,729	7,903	8,080	8,243
TRUCK PRODUCTION								
Western Europe**	1,324	1,229	1,319	1,374	1,382	1,423	1,466	1,492
U.S.***	2,688	3,816	3,296	3,324	3,666	3,689	3,814	4,003

*—Includes Germany, France, United Kingdom, Italy, Netherlands, Belgium, Denmark, Ireland, Greece, Sweden, Norway, Finland, Switzerland, Austria, Spain and Portugal.

**—Includes Germany, France, United Kingdom, Italy, Spain, Sweden, Netherlands and Belgium.

***—Light trucks only.

Second-highest model year total on record

Truck sales climb past 3.9 million

Continued from Page 16

64.9 percent of the industry's total, compared with 55.9 percent a year ago. This year, sales of the domestics totaled 834,999 units, up 82.9 percent from last year's 456,483.

New-truck sales by Big Three dealers in September totaled 241,191 units, up 7.2 percent from last year's 225,000. The nine-month count was 28.7 percent higher than a year ago, 2,362,595 versus 1,836,212.

No. 1 Ford reported that its dealers retailed 94,583 vehicles during the month, a gain of 9.9 percent over the year-earlier 86,035. Through September, the total was 875,862, up 2.1 percent from last year's 717,346 units.

In September, Chevrolet dealers sold 78,856 new trucks, down 20.5 percent from the year-ago 99,206. The nine-month total of 847,527 units was 17.1 percent higher than last year's 727,774.

Dodge and Chrysler-Plymouth dealers retailed 41,135 vehicles during the month, an increase of 98.7 percent over the year-ago 20,700. The January-September count was 392,803, up 97.1 percent from 199,304 in 1983.

GMC dealers retailed a record 26,617 units during the month, a gain of 39.7 percent from last year's 19,059 and 11.9 percent higher than the previous mark of 23,779 set in September, 1976.

The nine-month total was up 25.9 percent to 246,403 units, compared with 195,788 in the like period a year ago.

• September sales of Jeep four-wheel-drive vehicles totaled 11,624, an increase of 89.8 percent over the year-earlier 6,123 units. Through September, the total was 110,363, up 107.8 percent from last year's 53,107 units.

Only eight of the discounted Volkswagen front-drive compact pickups were retailed in September, compared with 324 a year ago. The nine-month count was 387, down sharply from last year's 4,310 units.

Toyota dealers retailed a record 14,165 compact trucks during the month, an increase of 15.3 percent over the year-earlier 12,286, the previous high. Through September, the total was 195,693, up 48.8 percent over last year's 131,507 units.

During the month, Nissan-Datsun dealers sold 13,010 small pickups, a decline of 19.2 percent from last year's 16,106 vehicles. The September count included 5,240 units assembled in Nissan's plant in Tennessee.

Sales through September, however, were up 42.6 percent to 153,924 vehicles, compared with 107,941 in the like period a year ago. The nine-month count included 70,229 pickups built in the U.S.

Mazda sales in September were 100.5 percent higher than a year ago, 10,425 versus 5,200. The January-September total of 91,061 sales was 74.4 percent higher than last year's 52,224.

Isuzu dealers retailed 4,321 compact vehicles during the month, a gain of 82.6 percent from the year-ago 2,366. The nine-month count was up 77.5 percent, from 17,874 units in 1983 to 31,718.

September sales of small Mitsubishi trucks totaled 1,513 units, an increase of 74.1 percent over last year's 869. Through September, the count was 11,531, up 87.1 percent from the year-earlier 6,163 units.

Big Three September year-to-date sales

	August		year to date	
	1984	1983	1984	1983
Ford				
Vans	16,974	16,085	129,556	125,211
Club Wagon	3,110	2,359	23,476	21,866
Ranger	18,106	15,798	168,068	140,162
Courier	.....	.....	.....	5,657
Bronco	3,461	3,185	33,970	30,157
Bronco II	8,231	7,799	75,064	39,780
Pickups	40,845	37,276	406,419	324,484
Mediums	2,962	2,873	30,204	24,325
Heavies	894	660	9,105	5,704
Chevrolet				
Vans	9,397	10,982	123,474	105,804
Sportvan	1,049	1,195	18,001	13,716
S-10	13,178	15,963	145,445	140,815
S-10 Blazer	10,727	9,939	105,159	71,920
LUV	.....	10,298	.....	14,593
El Camino	1,344	3,150	18,291	17,368
Blazer	3,144	3,581	35,983	22,100
Suburban	3,694	2,395	38,693	26,712
Pickups	34,212	40,229	347,435	298,359
Mediums	2,111	1,474	15,046	12,387
Chrysler				
Vans	5,132	5,431	55,463	55,239
Ram Wagon	2,327	2,386	31,395	27,601
Voyager	6,164	.....	60,960	.....
Caravan	6,417	.....	63,257	.....
Mini Ram Van	2,641	.....	14,468	.....
Ram 50	5,537	3,795	37,563	23,767
Other Plymouth Trucks	.....	299	378	6,683
Ramcharger	1,936	1,357	20,859	15,261
Rampage	772	610	8,221	8,175
Pickups	10,209	6,822	100,239	62,578
GMC				
Vans	3,501	3,082	36,172	36,166
S-15	3,296	2,615	34,002	30,899
S-15 Jimmy	2,869	1,698	25,353	13,824
Jimmy	574	454	6,582	5,268
Caballero	141	168	2,108	1,517
Suburbans	1,329	552	12,369	8,135
Pickups	9,622	7,726	92,427	76,467
P Models	499	453	4,377	3,081
Mediums	3,148	1,683	21,578	14,652
Heavies	1,638	628	11,435	5,779

As he steps away from day-to-day helm

Tippett eyes AMC-Renault shuffle

Continued from Page 1

full package of responsibilities."

However, Tippett said, there will be a few areas which will continue to flow directly to him as chairman — principally governmental affairs.

"I'll be speaking out on some issues that affect the company and the automotive industry," he said. "You know me well enough to know that I have some points of view and I would expect to express them both as my personal point of view and the company's point of view when it is appropriate."

Tippett said Dedeurwaerder's background in manufacturing and product planning is one of "two or three" reasons why he is the right person to assume CEO responsibilities at AMC.

With introduction last year of the downsized Jeep Cherokee and Wagoneer models, and plans set for a compact Jeep Comanche pickup next year, Tippett said the company is moving into its passenger-car phase.

"The major thrust of our plans is with passenger cars, cooperating with Renault," he said. "He (Dedeurwaerder) is the ideal person to honcho that because he knows both American Motors now and Renault. So as we move into the passenger-car phase, I think it's perfect for him to be where he is. He'll take a lot of liaison with Renault in Europe."

Renault recently confirmed that it will sell the upcoming rear engine, two-passenger replacement for the Alpine 310 sports car in the U.S. In addition, Renault's Espace minivan is slated for the U.S. in 1986 and a final decision on whether to bring over the R-25 sedan is scheduled to be made shortly.

• A major restyling of Alliance —the so-called X-52 project— is reportedly underway for the 1987 model year, with most of the redesign work being handled by Renault. A Renault-designed midsize car to be assembled at AMC's planned new assembly plant in Brampton, Ont., for the 1988 model year is currently under joint development.

There have also been reports that replacements for Fuego and the R18 sedan and wagon may be coming from Europe for the 1987 model year.

Tippett said the company is still reviewing a decision on the R-25, but declined comment on other long-term product plans.

Tippett said he is proud of AMC's recent turnaround, and said the success of the Alliance and the downsized Jeeps made possible the realignment of responsibilities.

"If you take the first six months of 1984 and compare them with the first six months of '83 for continuing operations, we've improved profits in one year by $175 million," he said. "I don't think that's too shabby. If we hadn't done a reasonably good job, I don't think our friends would be asking us to see if we can't do some other things."

Tippett said his first duty as senior advisor of North American operations for Renault is to "make sure I know everything that is happening." His responsibilities will encompass both auto and non-auto operations in the U.S., Canada and Mexico.

"Renault has lots of things going on in North America besides American Motors," he said. "They're in the robotics business, the heavy truck business, the laser joint venture business. They have a big engine plant in Mexico, and they are negotiating some agreements with International Harvester, mostly relating to Europe at this point.

• "For example, Renault supplies engines to Winnebago for motor homes," Tippett said. "I've got to know what the current state of affairs is before we can jump on to what we do next. It can't be a full-time job because I've still got to be chairman, I'm not leaving American Motors."

Tippett said that under the new format, Renault's CEO in Mexico will continue to report to corporate officials in France. But, he said, formulating an "optimal organization" will be among his tasks.

He said he will review the complexity of interchange of supplies and sales with an eye toward reorganization. As an example, he noted that AMC is currently making Alliance parts and stampings in Kenosha for Renault de Mexico. Meanwhile, he said, there is considerable parts shipment from Mexico to France, and some of those parts come back from France to the U.S.

"All that must be looked at to see what is the best way to organize it, what is the best way to develop strategy," he said. "That's what we are going to be doing here in the near term."

Tippett said he doesn't yet know what form his North American Renault organization will take, nor precisely when it will be operational. But he predicted that formation of the group will require 6-12 months.

"People ask if we are going to have a big organization... like NAAO at Ford," he said. "The answer is I don't know because I don't have the information yet."

The new duties will likely result in the AMC chairman spending a bit more time in Europe.

Import inventories trimmed; days' supply steady at 24

Continued from Page 3

many, 24.19 percent, and other countries, 14.43 percent.

Import-truck inventories for individual makes changed considerably during the month. The stock of trucks climbed from 75,352 on Sept. 1 to 78,770 on Oct. 1. One year earlier, the truck inventory had been 51,375.

Biggest change was at Toyota, where sales returned to a more normal rate after a blockbuster August and inventories nearly doubled. The result: 40-day supply — still below the 60 days considered ideal for imports, but certainly better than Toyota's 11-day truck supply on Sept. 1.

The combined car-truck import inventory on Oct. 1 was 257,941, down from 259,865 on Sept. 1, but up from 250,714 on Oct. 1, 1983.

The Oct. 1 import-vehicle stockpile was good for 27 selling days, compared with a 25-day supply on Sept. 1 and a 30½-day supply on Oct. 1, 1983.

• On Oct. 1, there was a 19-day supply of Japanese cars. The breakdown by line and days' supplies: Honda (imports only; there also was a one-day supply of domestic Accords), 8 days; Toyota, 12; Subaru, 14; Mazda and Mitsubishi, 17; Chevrolet's captive Sprint by Suzuki, 22; Nissan, 24; Isuzu, 52, and Chrysler's captive imports, 69.

Of the Chrysler captives, there was a 66-day supply of Plymouth Colts, 65 for Dodge Colt, 126 for Plymouth Conquest, 154 for Dodge Conquest, 63 for Plymouth Vista and 60 for Dodge Vista.

There was a 39-day supply of German cars, broken down this way: BMW, 6 days; Mercedes-Benz, 22; Porsche, 29; Volkswagen, 38, and Audi, 40.

The days' supply of other imports averaged 58; Jaguar, 8; Maserati, 40; Saab, 41; Volvo, 47; Peugeot, 49; Alfa Romeo, 59; Renault, 217, and International Automobile Importers, 638.

The 39 days' worth of import trucks (including the U.S.-built Nissans) broke out this way: Mazda, 14; Mitsubishi and Toyota, 40; Nissan, 44, and Chrysler and Isuzu, 55.

IMPORT STOCKS

	Oct. 1, 1984	Sept. 1, 1984	Oct. 1, 1983
Chevrolet	22	17	0
Chrysler	69	86	77
Honda	8	2	27
Isuzu	52	63	31
Mazda	17	29	24
Mitsubishi	17	63	52
Nissan	24	21	17
Subaru	14	11	34
Toyota	12	7	27
JAPANESE MODELS	19	18	28
Audi	40	78	21
BMW	58	75	43
Mercedes-Benz	22	23	28
Porsche	29	24	16
Volkswagen	38	54	56
GERMAN MODELS	39	53	37
Alfa Romeo	59	67	94
IAI	638	379	....
Jaguar	8	11	15
Maserati	40	36	....
Peugeot	49	48	56
Renault	217	135	104
Saab	41	19	23½
Volvo	47	39	21
OTHER MODELS	58	48	39
TOTAL IMPORTED CARS	24	23½	30
Chrysler	55	83	74
Isuzu	55	71	65
Mazda	14	32	33
Mitsubishi	40	67	77
Nissan*	44	34	23
Toyota	40	11	19
TOTAL IMPORTED TRUCKS	39	28	32
TOTAL IMPORTED VEHICLES	27	25	30½

*—Includes domestic-made trucks.

Supply of domestics falls to 54 days

Car inventories dip to year's low

Continued from Page 1

constrained the most by supply.

And because of the late model-year changeover for GM J-cars, Chevy's supply of its best-selling Cavalier fell to a mere 36 days as its sales rate picked up. A 45-day supply is generally considered ideal for domestic cars.

Ford Motor Co.'s sales rate picked up and its stockpile declined slightly during the month. Every model carrying the Ford name increased its sales pace, as did nearly every Mercury model. Sales of all Lincolns declined.

Most noteworthy of the Fords was LTD, whose Sept. 1 stockpile of 71 days was nearly halved to 42 days on Oct. 1 thanks to increased sales.

Chrysler fared best of the Big Three last month: Its inventory climbed and its sales rate climbed even more — and across each line and model. It opened October with a 64-day supply of cars, compared with 74 days a month earlier.

• AMC's inventory increased during the month, as sales of Alliance and Encore fell.

VW continued to trim its U.S.-car inventory, but its sales rate fell, too. Its domestic stockpile amounted to 44 days, its imports, 38 days, for a combined average of 40 days.

Domestic inventory shares on Oct. 1 were: GM, 48.32 percent; Ford, 30.22 percent; Chrysler, 16.78 percent; AMC, 3.93 percent; VW, 0.70 percent, and Honda, 0.05 percent.

The Sept. 1 shares were: GM, 49.16 percent; Ford, 30.20 percent; Chrysler, 15.26 percent; AMC, 3.56 percent; VW, 1.07 percent, and Honda, 0.75 percent.

• Subcompacts accounted for 21.35 percent of the U.S.-car inventory on Oct. 1; compacts, 25.23 percent; intermediates, 28.56 percent; standard-size autos, 15.49 percent, and luxury models, 9.37 percent.

A month earlier, shares were: Subcompact, 21.47 percent; compact, 26.63 percent; intermediate, 28.52 percent; standard, 13.89 percent, and luxury, 9.49 percent.

The Oct. 1 days' supplies by size class:

Subcompact — U.S.-built Honda Accords, 1; Fiero, 33; Chevette, 43; Rabbit, 44; Escort, 61; Turismo, 63; Pontiac 1000, 69; Charger, 72; Lynx, 72; Omni, 73; Horizon, 77; Daytona, 80; Alliance, 82; Laser, 82; Encore, 91, and EXP, 96.

Compact — Cavalier, 36; Skyhawk, 43; 2000 Sunbird, 47; LeBaron, 54; Mustang, 54; Tempo, 54; Firebird, 56; Topaz, 57; Firenza, 61; Cimarron, 63; Aries, 67; Reliant, 70; Camaro, 72; Capri, 95, and Eagle, 118.

Intermediate — Cutlass Supreme, 33; Marquis, 33; Cutlass Ciera, 34; Century, 36; Omega, 38; Skylark, 40; Pontiac 6000, 41; LTD, 42; Regal, 42; Celebrity, 48; Monte Carlo, 53; Cougar, 55; Bonneville, 56; New Yorker E-Class, 59; Grand Prix, 60; Dodge 600, 69; Phoenix, 74; Thunderbird, 77; Caravelle, 85, and Citation, 20.

Standard — Olds 88, 41; LeSabre, 46; Gran Fury, 64; Crown Victoria, 67; Grand Marquis, 67; Chevrolet, 71; Diplomat, 78, and Parisienne, 91.

Luxury — Cadillac, 22; Electra, 24; Olds Ninety-Eight, 27; Seville, 46; Lincoln, 55; Riviera, 55; Toronado, 65; Eldorado, 66; Fifth Avenue, 68; Continental, 70; Mark VII, 76, and Corvette, 78.

NEW-CAR STOCKS

	Oct. 1, 1984	Sept. 1, 1984	Oct. 1, 1983
Eagle	118	131	63
Alliance	82	58	77
Encore	91	77	71
AMERICAN MOTORS	89	70	73
Turismo	63	62	59
Horizon	77	73	68
Reliant	70	80	56
Caravelle	85	....	....
Gran Fury	64	62	29
Plymouth Total	70	74	59
LeBaron	54	58	59
Laser	82	85	126
N. Yorker/E-Class	59	75	54
Fifth Avenue	68	65	33
Chrysler Total	64	68	54
Omni	73	73	68
Aries	67	92	55
Daytona	80	91	....
Charger	72	69	69
Dodge 600/400	69	85	61
Diplomat	78	81	61
Dodge Total	72	81	62
CHRYSLER CORP.	68	74	58
Escort	61	81	60
Mustang	54	57	77
LTD	42	71	51
Thunderbird	77	83	76
Crown Victoria	67	78	39
EXP	96	105	50
Tempo	54	76	64
Ford Total	59	76	60
Lynx	72	92	82
Capri	95	71	103
Marquis	33	45	62
Cougar	55	54	56
Grand Marquis	67	62	36
Topaz	57	73	65
Mercury Total	57	61	60½
Continental	70	56	63
Lincoln	55	43	36
Mark VI/VII	76	94	51
Lincoln Total	62	53	40
FORD MOTOR	58	70	58
Skylark	40	81	72
Skyhawk	43	45	55
Century	36	40	60
Regal	42	47	59
LeSabre	46	49	50
Riviera	55	64	68
Electra	24	25	66
Buick Total	42	48	60
Cimarron	63	73	98
Seville	46	62	55
Eldorado	66	69	56
Cadillac	22	22	41
Cadillac Total	38	38	50
Chevette	43	52	73
Cavalier	36	45	46½
Celebrity	48	45	49
Camaro	72	80	59
Citation	101	120	98
Monte Carlo	53	47	52
Chevrolet	71	57	56
Corvette	78	86	28
Chevrolet Total	54	57	57
Omega	38	33	68
Firenza	61	68	64
Cutlass Supreme	33	35	41
Cutlass Ciera	34	27	56
Delta 88	41	35	30
Olds 98	27	32	39
Toronado	65	77	62
Oldsmobile Total	41	37	45
2000 Sunbird	47	55	45
1000	69	58	66
Firebird	56	58	60
Phoenix	74	80	98
Bonneville	56	58	52
Parisienne	91	69	62
Fiero	33	22	50
6000	41	56	42
Grand Prix	60	60	57
Pontiac Total	56	54	53
GENERAL MOTORS	48	49	54
HONDA	1	21	12
VOLKSWAGEN	44	58	82
Totals Cars, U.S.	54	57	55
SUBCOMPACT	58	63	65
COMPACT	53	63	59
INTERMEDIATE	50	54	56
STANDARD	62	56	44
LUXURY	46	46	51

Week's total dips slightly

Auto output holds above 160,000

By Louise Kertesz
Detroit Reporter

Slated domestic production of 163,921 cars last week dipped 1.49 percent from the previous week's 166,395.

Contributing to the slowed pace was buildout of the 1984 Chevrolet Cavalier, which cut the previous week's output of 9,427 units almost by half. Less overtime at Chrysler cut that company's build by 16.83 percent from the previous week.

Last week's estimated production of 163,921 cars was 1.85 percent higher than the year-ago week's 160,938.

Year-to-date, 6,218,728 cars have been completed, 19.40 percent more than the 5,208,432 assembled at this point last year.

Last week's production was shared as follows: General Motors, 54.06 percent; Ford Motor Co., 24.93 percent; Chrysler Corp., 15.65 percent; American Motors, 2.93 percent; Honda, 1.81 percent, and Volkswagen of America, 0.62 percent.

Two new lines have entered the production picture: Chrysler's LeBaron GTS and Dodge Lancer are now being assembled in Sterling Heights, Mich.

A second shift has been added at GM's Bowling Green (O.) facility to build Chevrolet Corvettes. Line speeds will be 12 per hour.

GM's Lordstown (O.) facility will be down until Oct. 17 for model changeover, and the Leeds (Mo.) plant will go down for model changeover on Oct. 17 until Oct. 22. Both plants produce J-cars.

GM scheduled two overtime shifts Saturday (Oct. 13) at these plants: Pontiac (Fiero); Flint (Buick G-line); Doraville, Ga.; Leeds, Mo.; Linden, N. J., and Willow Run, Mich.

One Saturday overtime shift was scheduled at GM plants in Wentzville, Mo., and Orion, Mich.

Chrysler scheduled two nine-hour daily shifts last week at plants in Belvidere, Ill.; Newark, Del., and St. Louis (No. 1 and 2). The Jefferson Ave (Detroit) facility worked two 8½-hour daily shifts.

VW aims for 275,000 sales led by new Golf and Jetta

Continued from Page 61

a Volkswagen," is being continued for all '85 lines.

VW ads highlight the prices of all its cars, and generally stress value, durability, driver control, German engineering and driving excitement. Versatility is the key with Golf.

In its magazine ads, VW ties its cars to each individual publication.

For example, a Ms. magazine ad uses the headline, "Finally. A centerfold Ms. readers can appreciate;" a W magazine ad says, "Volkswagen's in W" and a Vogue ad says, "Can you believe Volkswagens in Vogue?"

Other magazine ads play heavily on affordability, such as a multi-page ad that says "You could always buy a German road car. Now, you can afford one."

Magazines account for 41 percent of VW's media mix; network TV for 55 percent; newspapers for 3 percent and outdoor for 1 percent.

TV highlights Golf's versatility with a 60-second commercial comprised of six 10-second segments. As the announcer progresses, he becomes less and less sure of what the best feature of the new Golf is.

"The best thing about Golf is it's German-engineered handling . . . actually, best thing about German-engineered Golf is it's exceptional space . . . come to think of it, the best thing about Golf is it's remarkable durability" and so forth.

Arresting TV commercials for Jetta have a couple motoring from Frankfurt to Paris, under a "Getting there is half the fun; coming back is the other half" theme.

There is also a spot opening on the highway with an elephant with a "L. A. or bust" sign around its neck being invited into Jetta to demonstrate roominess. The car stops, half its chassis extended over a cliff, to demonstrate braking.

And, finally, a driverless car spot has the vehicle automatically shifting, steering and opening its doors to demonstrate its features.

Doyle Dane Bernback is VW's agency.

H&E names Fykse

CINCINNATI. — L. Dean Fykse Jr. has been named regional sales manager, Hess & Eisenhardt Co. Headquartered near Philadelphia, Fykse will be responsible for the marketing of Hess & Eisenhardt vehicles in the Northeastern U. S.

CANADIAN CAR PRODUCTION

	Week Ended Oct. 13, 1984	Week Ended Oct. 15, 1983	Week Ended Oct. 6, 1984	Oct. to Date	Jan. 1 to Oct. 15, 1983	Jan. 1 to Oct. 13, 1984
AMERICAN MOTORS	480	57[illegible]	.....	480	22,316	17,462
CHRYSLER CORP.	.....	.....	.....	.....	104,365	.....
FORD MOTOR	8,600	4,615	10,175	18,775	204,135	338,606
GENERAL MOTORS	10,099	9,899	11,783	21,882	410,966	471,968
VOLVO	225	189	180	405	8,277	8,191
Total Cars, Canada	19,404	15,270	22,138	41,542	750,059	836,227

TRUCK PRODUCTION IN U. S.†

	Week Ended Oct. 13, 1984	Week Ended Oct. 15, 1983	Week Ended Oct. 6, 1984	Oct. to Date	Jan. 1 to Oct. 15, 1983	Jan. 1 to Oct. 13, 1984
CHEVROLET	21,543	18,026	18,976	40,519	650,972	785,776
DODGE	4,100	3,637	4,114	8,214	108,311	162,421
FORD	26,129	22,880	25,663	51,792	718,102	936,694
GMC	6,920	6,267	6,337	13,257	202,612	255,015
INTERNATIONAL	1,675	1,181	1,577	3,252	39,641	60,196
VOLKSWAGEN	.....	.....	.....	.....	2,079	.....
JEEP	3,600	2,825	3,294	6,894	75,882	147,204
NISSAN	2,000	942	2,150	4,150	6,231	75,367
AM GENERAL	50*	50*	50*	100*	1,980*	2,060*
MISCELLANEOUS	1,000*	1,000*	1,000*	2,000*	39,600*	41,000*
Total Trucks, U. S.	67,017	56,808	63,161	130,178	1,845,410	2,465,733

CANADIAN TRUCK PRODUCTION

	Week Ended Oct. 13, 1984	Week Ended Oct. 15, 1983	Week Ended Oct. 6, 1984	Oct. to Date	Jan. 1 to Oct. 15, 1983	Jan. 1 to Oct. 13, 1984
CHRYSLER CORP.	6,904	2,379	5,536	12,440	100,530	281,581
FORD MOTOR	2,660	2,644	3,303	5,963	108,285	120,032
GENERAL MOTORS	4,543	5,039	5,628	10,171	201,647	226,587
INTERNATIONAL	172	104	216	388	4,374	6,553
Total Trucks, Canada	14,279	10,166	14,683	28,962	414,836	634,753
N. American Trucks	81,296	66,974	77,844	159,140	2,260,246	3,100,486

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

Truck production highest of year; 67,017 assembled

U. S. truck makers projected their best weekly build for 1984 last week: 67,017 units. The previous high for the year was 66,834 units completed during the week ended June 23.

Last week's expected output of 67,017 trucks was a 6.11 percent increase over the previous week's 63,161 and 17.97 better than the year-ago week's 56,808.

Year-to-date, 2,465,733 trucks have been completed, 33.61 percent more than the 1,845,410 assembled at this point last year.

General Motors scheduled overtime Saturday (Sept. 13) at its Pontiac facility (No. 5).

Ford Motor Co. also scheduled overtime Saturday at its Lorain (O.), Louisville (Ky.) and Wayne (Mich.) plants.

Holiday trims week's output in Canadian plants

The Thanksgiving holiday slowed Canadian car production last week, though it remained well ahead of last year's.

Also reflecting holiday schedules, the past two weeks' truck builds were the lowest since the week ended Spt. 8.

Makers pegged completion of 19,404 cars last week, down 12.36 percent from the previous week's 22,138, but 27.07 percent better than the 15,270 built the same week a year ago.

Year-to-date, 836,227 cars have been built in Canada, 11.49 percent more than the 750,059 assembled last year at this time.

Builders targeted assembly of 14,279 trucks last week, 2.75 percent behind the previous week's 14,683, but a 40.46 percent jump from the year-ago week's 10,166.

Chrysler's Windsor (Ont.) plant expected to complete 1,955 Plymouth Voyagers, 1,960 Dodge Caravans and 785 Mini Ram Vans last week, bringing the T-115 total this year to 178,436.

U. S. CAR PRODUCTION

	Week Ended Oct. 13, 1984	Week Ended Oct. 15, 1983	Week Ended Oct. 6, 1984	Oct. to Date	Jan. 1 to Oct. 15, 1983	Jan. 1 to Oct. 13, 1984
AMERICAN MOTORS	4,800	4,229	.....	4,800	147,725	154,365
AMC Total	.....	.....	.....	.....	4,071	.....
Eagle	.....	.....	.....	.....	4,071	.....
Renault Total	4,800	4,229	.....	4,800	143,654	154,365
Alliance	3,200	2,928	.....	3,200	124,576	87,773
Encore	1,600	1,301	.....	1,600	19,078	66,592
CHRYSLER CORP.	25,650	21,528	30,842	56,492	687,745	975,543
Plymouth Total	8,850	7,124	10,397	19,247	243,429	295,620
Horizon	3,400	3,007	3,976	7,376	92,016	127,121
Reliant	4,000	3,889	4,790	8,790	147,083	138,401
Caravelle	1,000	190	1,126	2,126	4,115	13,222
Gran Fury	450	38	505	955	215	16,876
Chrysler Total	7,400	6,430	8,687	16,087	168,363	318,711
LeBaron	2,200	1,667	2,610	4,810	68,477	92,971
LeBaron GTS	200	.....	190	390	.....	390
Laser	1,500	1,478	1,608	3,108	8,830	56,445
New Yorker/E-Class	1,500	2,093	1,701	3,201	87,664	75,093
Fifth Avenue	2,000	1,192	2,578	4,578	3,392	93,812
Dodge Total	9,400	7,974	11,758	21,158	275,953	361,212
Omni	2,700	2,639	3,329	6,029	100,669	118,498
Aries	3,200	2,981	3,940	7,140	110,916	110,189
Daytona	1,000	1,082	1,287	2,287	6,963	42,086
Dodge 400	.....	.....	.....	.....	18,478	.....
Dodge 600	1,300	1,205	1,817	3,117	38,550	59,963
Lancer	200	.....	148	348	.....	348
Diplomat	1,000	67	1,237	2,237	377	30,128
FORD MOTOR	40,850	35,597	41,369	82,219	1,185,910	1,393,566
Ford Division	26,363	26,752	27,592	53,955	765,903	903,632
Escort	7,578	7,816	7,368	14,946	212,876	275,005
Fairmont	.....	.....	.....	.....	23,728	.....
Mustang	3,215	3,702	3,522	6,737	90,457	108,882
LTD	5,324	4,112	5,433	10,757	135,734	178,053
Thunderbird	3,195	5,002	3,142	6,337	151,931	117,459
Crown Victoria	1,869	2,392	1,875	3,744	74,795	65,812
EXP	1,295	.....	1,084	2,379	1,184	32,220
Tempo	3,887	3,728	5,168	9,055	75,198	126,201
L-M Division	14,487	10,845	13,777	28,264	420,007	489,934
Mercury Total	10,881	10,237	9,586	20,467	337,371	357,690
Lynx	1,489	1,621	1,426	2,915	59,844	55,453
Capri	797	676	502	1,299	19,423	13,529
Zephyr	.....	.....	.....	.....	8,601	.....
Marquis	2,986	1,891	2,438	5,424	57,799	92,505
Cougar	2,664	2,743	2,614	5,278	96,574	89,734
Grand Marquis	1,751	1,875	1,747	3,498	74,001	73,420
LN7	.....	.....	.....	.....	290	.....
Topaz	1,194	1,431	859	2,053	20,839	33,049
Lincoln Total	3,606	608	4,191	7,797	82,636	132,244
Continental	645	112	759	1,404	9,014	29,436
Lincoln	2,556	153	2,970	5,526	52,864	81,150
Mark VI/VII	405	343	462	867	20,758	21,658
GENERAL MOTORS	88,611	93,714	90,623	179,234	3,075,887	3,529,835
Buick Division	25,661	20,359	24,096	49,757	703,102	783,614
Skylark	3,301	3,718	3,228	6,529	88,325	86,759
Skyhawk	2,418	1,278	2,004	4,422	55,993	110,811
Somerset Regal	2,688	.....	1,822	4,510	.....	10,098
Century	5,937	4,380	5,967	11,904	131,269	179,529
Regal	3,098	4,872	2,980	6,078	193,947	147,695
LeSabre/Electra (rwd)	4,430	4,865	5,373	9,803	193,525	164,359
Riviera	1,479	1,246	1,146	2,625	40,043	40,308
Electra (fwd)	2,310	.....	1,576	3,886	.....	44,055
Cadillac Division	7,869	6,997	7,244	15,113	239,110	261,029
Cimarron	.....	527	.....	.....	15,835	13,374
Seville	1,029	757	737	1,766	27,345	30,064
Eldorado	1,652	1,450	1,634	3,286	58,367	59,989
Cadillac	1,641	4,263	1,541	3,182	137,563	95,554
DeVille (fwd)	3,547	.....	3,332	6,879	.....	62,048
Chevrolet Division	22,425	32,068	28,205	50,630	1,016,721	1,209,517
Chevette	2,870	4,079	3,230	6,100	162,842	145,811
Cavalier	4,564	9,145	9,427	13,991	233,405	331,581
Celebrity	5,769	4,783	7,972	13,741	23,824	231,092
Camaro	1,162	4,684	934	2,096	150,491	187,558
Citation	2,024	1,963	1,347	3,371	72,645	88,795
Malibu/El Camino	576	568	417	993	96,129	19,495
Monte Carlo	2,465	3,705	1,651	4,116	86,731	83,828
Corvette	642	775	503	1,145	20,887	25,985
Oldsmobile Division	20,849	22,129	19,332	40,181	794,257	847,578
Omega	.....	.....	.....	.....	46,824	29,289
Firenza	1,355	915	1,475	2,830	35,285	56,661
Cutlass Supreme	3,687	7,440	4,471	8,158	234,961	206,155
Cutlass Ciera	3,142	4,720	1,988	5,130	166,203	197,314
88/98 (rwd)	6,146	7,956	6,139	12,285	278,425	254,793
Olds 98 (fwd)	2,907	.....	2,916	5,823	.....	57,671
Calais	2,544	.....	1,454	3,998	.....	10,789
Toronado	1,068	1,098	889	1,957	32,559	34,906
Pontiac Division	11,807	12,161	11,746	23,553	322,697	428,097
Acadian†	.....	342	394	394	11,884	11,948
2000 Sunbird	2,580	3,331	2,768	5,348	85,222	116,101
1000	661	1,011	1,063	1,724	33,834	32,591
Firebird	598	2,682	534	1,132	76,361	87,379
Phoenix	.....	506	.....	.....	21,285	14,116
Grand Prix/Bonneville	.....	1,885	.....	.....	76,238	29,733
Parisienne	3,141	740	2,713	5,854	7,173	32,544
Fiero	2,760	1,664	2,839	5,599	10,700	96,082
Grand Am	2,067	.....	1,435	3,502	.....	6,603
HONDA	2,970	1,500	2,874	5,844	37,406	106,451
VOLKSWAGEN	1,040	2,370	687	1,727	73,759	58,968
Total Cars, U. S.	163,921	160,938	166,395	330,316	5,208,432	6,218,728
Total Cars, Canada	19,404	15,270	22,138	41,542	750,059	836,227
N. American Cars	183,325	176,208	188,533	371,858	5,958,491	7,054,955
N. American Trucks	81,296	66,974	77,844	159,140	2,260,246	3,100,486
North American Cars and Trucks	264,621	243,182	266,377	530,998	8,218,737	10,155,441

†—All Acadians are built for sale in Canada. *—Estimated.

Automotive News

October 22, 1984

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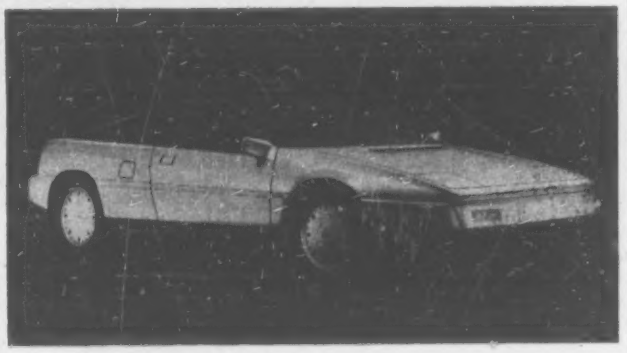
Bowing in Birmingham

Panther Solo debuts at show

Solo is the name of Panther Car Co.'s new mid-engined two-seater which was unveiled last week at the International Motor Show in Birmingham, England. Pilot production will begin next year. Story on Page 20.



Lotus concept is a star

This mid-engine V-8 concept car by Group Lotus is one of the star exhibits at the International Auto Show at Birmingham, England. Designed by Ital's Giorgetto Giugiaro, the car "is not a runner, but is produceable," a Lotus executive said. Story on Page 3.

breaking news

Chinese want Audi, too

WOLFSBURG, West Germany — The Chinese have informally asked to assemble the Audi 100 (called the 5000 in the U. S.) on a trial basis in 1985, a Volkswagenwerk AG spokesman said. The Chinese are very interested in beginning assembly of 100 CKD kits next year in preparation for an annual output of 1,000 per year beginning in 1986, he said. A similar CKD trial plan was used in preparation for Chinese assembly of the Santana (Quantum).

Mercedes first to get simplified Japanese certificate

TOKYO.—Mercedes-Benz has become the first manufacturer to receive a type certificate from the Japanese Ministry of Transport under simplified import procedures for imported cars. The new procedures, adopted by Japan last August, require the maker to submit only one sample car and a set of documents. Mercedes-Benz will begin marketing its 190-E in Japan in November under the new procedure.

China buys 20,000 vehicles from Toyota

TOKYO.—Toyota has won orders from China for about 20,000 vehicles, according to the Japan Economic Journal. The paper said most of the vehicles involved are trucks, but a small quantity of cars to be used as taxis is included. Shipments are to be completed by early next year.

NEWSPAPER

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Canadian walkout costing company $100 million a week

Strike perils GM in U.S.

Marjorie Sorge
Labor Editor

TORONTO. — A strike called by the Canadian UAW against General Motors of Canada will close nine U. S. assembly plants by today (Oct. 22) and could cost the parent company about $100 million a week at the start.

A strike will stop production of full-size rear-wheel-drive cars at Flint; Detroit; Fairfax, Kans., and Wilmington, Del.; full-size front-wheel-drive cars at Orion, Mich., and Wentzville, Mo.; compact cars at Willow Run, Mich.; N-cars at Lansing, and van production at Lordstown, O. Those plants build some of GM's most popular cars including the new FWD C-bodies.

If the strike continues, it will also dramatically affect at least 14 other GM locations as well as GM suppliers.

"If you don't reach a settlement in 10 days and you walk away from bargaining, then you can be locked in for a long time, and I want desperately to try and avoid that," said UAW Vice President Robert White, director of the Canadian region.

Analysts estimate the strike could cost GM as much as $100 million a week. The one-week selective strike in the U. S. last month cost the company $125 million, analysts said.

The UAW called the strike last Wednesday (Oct. 17) after the parties failed to reach an agreement covering 36,800 GM workers.

Earlier in the week, GM presented the union with a final offer which White said was a "rubber stamp" of the contract recently ratified by the union in the U. S. But, he said, the offer provided less money than the U. S. pact and was "not ratifiable" in Canada.

"This is a General Motors strike," White said. "They are trying to fundamentally change the collective bargaining strategy and the collective bargaining program that has served us well for 25 years. That is a program based on annual improvement wage increases going into the base rate and cost-of-living."

The GM offer, like the U. S. contract, provides an average 2.25 percent wage increase in the first year, based on job classification, and 2.25 percent lump-sum payments in the second and third years.

Since early this year, White has said the Canadian UAW wants a Canadian agreement.

Rod Andrew, GM director of industrial relations, said the offer did address the Canadian situation and had "numerous changes" that were different from the U. S. pact. He said the proposal addressed wages, COLA, sickness and accident insurance, income security and time off the job differently. He would not elaborate.

According to White, the company offered an additional 8 cents an hour above the 2.25 percent average increase in the first year, but wanted the UAW to divert 9 cents more from COLA than was required in the U. S. The U. S. workers lost a total of 24 cents in COLA

Continued on Page 58, Col. 1

Ford, UAW to team on Alpha small car

By Marjorie Sorge
Labor Editor

DETROIT. — Ford Motor Co. and the UAW will begin working together to create a new small car from the ground up, and Ford has vowed to spend more than 50 percent of its worldwide capital outlays in North America during the next six years, according to the new labor agreement.

In 1983, Ford's worldwide capital expenditures were $2.3 billion.

The new small-car project, coded the Alpha Project, will be headed by Henry Nida as general manager, and will allow the company and the union to work together on the total development of a new small car. If the efforts are successful, the car will be built in the U. S., the contract said.

The Alpha Project is Ford's version of the General Motors Saturn Project announced a year ago. In its pact with the UAW, GM promises to build the Saturn car in the U. S.

According to the contract, Ford will make use of its new Protected Employe Program (PEP) to retrain workers for the Alpha Project. The PEP program retrains laid-off workers for new jobs either inside or outside the corporation.

In a letter in the agreement, Ford told the union it was committed to having manufacturing presence and employment in North America. But, the company reminded the union that it must have flexibility to be competitive in a worldwide market.

"Ford's product mix is more heavily weighted to smaller cars than its major domestic competitor," the letter said. "The company has been and continues to be reluctant to engage in a higher level of offshore vehicles and component sourcing in the hope that it can become a competitive producer of small cars."

Ford has already decided to build the new front-wheel-drive Taurus and Sable in the U. S. for a fall, 1985, introduction. The investment in that program will be close to $3 billion, the letter said. Ultimately, more than 12,000 Ford UAW members will be employed in producing those vehicles.

During the last five years, Ford said, it has committed more than $8.3 billion in capital expenditures in North America for rennovation, modernization, and construction of its domestic manufacturing base. This investment represented more than 60 percent of Ford's worldwide expenditure during the period, the letter said.

Ford to shut down some parts depots

Chevrolet streamlines field setup

By Joseph Bohn
Marketing Editor

Chevrolet is closing down some zone offices and scaling back district and regional staffs in the largest realignment of its field sales operation ever undertaken by the division.

There are no indications of other GM divisions following suit. Some, like Pontiac, have gone the other way, reinstating regional managers eliminated during the depths of the recession, for example.

Chevrolet, though, was clearly due for a major realignment, according to dealers and factory people.

"We have the same structure as 20 years ago," said one Chevrolet source.

"With today's communication links and travel capabilities, many organizations have gone through a process of improving the way they do business like this," he added.

Indeed, even as Chevrolet concentrates on its field operations, Ford plans to streamline its parts distribution system over a four-year period by eliminating more than half of its parts depots and modernizing the rest.

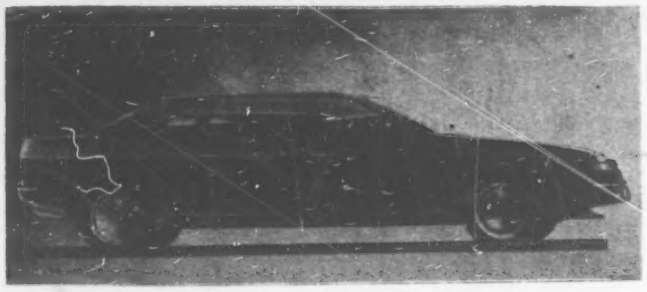
Chevrolet confirmed plans to close its Long Island (N. Y.) and San Diego zone offices by Jan. 1, consolidating them with its North Jersey office in Parsippany, N. J., and its Los Angeles office, respectively.

It will have 39 zone offices by the first of the year, still a large number compared with 29 for Ford Division, for example, and 27 for Pontiac.

Observers feel that more will be closed.

• "They have zone offices in small, out of the way places like Fargo, N. D., which they've had for years," said one Ford zone manager. "We used to have a

Continued on Page 8, Col. 1



Eminence displayed

Lotus is displaying the Eminence, a luxury sedan study, at the International Auto Show, Birmingham, England. The company has released this sketch and technical specifications, but it seems more like a 1990s car than one for this decade.

With Etna, new V-8 and limousine

Lotus display heralds comeback

By Richard Feast
European Editor

HETHEL, England.—The mid-engine concept car named Etna, the powerful V-8 engine and the limousine project known as Eminence are clear signs of a returning confidence at Group Lotus.

The three are currently among the star exhibits at the International Auto Show at Birmingham, England (Oct. 20-28).

With so many high-tech developments spilling out of the group, it decided not to display the joint Lotus-Toyota X100 sports car at the show. Instead, that car will debut at the Birmingham show in 1986 — by which time it will be in production and on sale across the world, including the U. S.

The Lotus Etna is a sleek piece of design by Ital's Giorgetto Giugiaro. It features Lotus' light alloy V-8 engine, a non-steel monocoque construction chassis and the company's patented active suspension system which dispenses with conventional springs and dampers.

The Etna is slated to go into production in 1988.

The public display of the V-8 powerplant — it has been an open secret for several years — is an indication that Lotus has found a volume production customer for it.

No one at Lotus is saying just who that buyer is, but in view of Toyota's shareholding in the company (16.5 percent), it must be considered one of the possibilities. Chrysler Corp.'s name has also been mentioned in connection with the V-8.

• Lotus Chairman David Wickins is the man behind the Eminence four-door limousine project. It was conceived as a high-performance, secure six-seater for heads of state.

Lotus publicity material makes specification comparisons with vehicles like Rolls-Royce, Mercedes-Benz 500-SEL, Daimler limousine and Cadillac Fleetwood limousine.

The X100 exists in running prototype form. While it was planned for exhibition at Birmingham this year it was never intended for production until 1985 at the earliest.

Now, production is planned for the fall of 1986, and—a first for Lotus — a simultaneous worldwide sales launch is in preparation.

Around 1,500 will be made in the first full year of production, rising to just over 3,000.

The front-engine/rear-drive two-seater will be made in cabriolet and coupe form. It will use Toyota's 16-valve four-cylinder engine, together with Japanese transmission and suspension components.

Giugiaro's ideas for the Etna are for a wedge shape with softly rounded edges. The upper section of the body is a composite skeleton frame clad entirely with dark, tinted panels. The glass roof section is removable and photo-sensitized to reduce light and heat transmission.

• Front and rear moldings are from reinforced urethane, but the main body/chassis construction uses new concepts.

Upper and lower moldings manufactured by the Lotus VARI (Vacuum-Assisted Resin Injection) process include integral foam-filled beam sections which, when bonded into a unitary structure, provide the dynamic and safety strengths. Carbon fiber and Kevlar reinforcement are used in load-bearing areas.

The company's so-called active suspension, which uses microprocessors to "read" road surfaces and adjust wheel movements accordingly, is used. Anti-lock brakes, also microprocessor controller, are used.

The fully trimmed car weighs 2,600 pounds. It has a length of 168 inches and sits on a wheelbase of 99 inches. Height is 45 inches.

Power unit, mounted centrally and driving the rear wheels, is the 4-liter V-8 with four valves per cylinder.

Eminence, the limousine project, is at a much earlier stage of development. The company has released a sketch and technical specifications, but it would seem more like a 1990s car than one for this decade.

• Much of the Etna is carried over: The V-8 engine, non-steel monocoque body/chassis and active suspension. Electronic selection of two- or four-wheel drive is promised.

The six-seater design has an overall length of 215 inches and a wheelbase of 140 inches.

After a difficult period in the early 1980s—DeLorean development, Inland Revenue tax claims, Colin Chapman's death, a sales famine and company restructuring — Lotus now has "cash in the bank," according to Wickins.

Within two years, he said, it could have a turnover of up to $62 million compared with $16 million last year.

It made pre-tax profits last year of 275,000 pounds ($340 million) compared with a loss the previous year of more than 2.1 million pounds. First-half results for this year were also encouraging.

Contract provides a moratorium on plant closings

UAW Ford Council OK's new pact

By Marjorie Sorge and Michelle Krebs

The UAW's 160-member Ford Council voted overwhelmingly last week to recommend approval to the membership of a new three-year contract which basically follows the pattern set at General Motors.

The Ford agreement will cost the company about 30 percent of the GM pact because of the smaller workforce. The cost of the GM contract has been estimated at $7 billion.

Unlike the GM pact, the new Ford agreement provides a moratorium on plant closings during the life of the agreement and seniority protection for workers laid off for any reason. It also makes some changes in health care. The GM contract raised the amount of co-pays in vision care while Ford's stays the same.

The ratification is expected to be completed by Oct. 28.

"It is an excellent agreement that meets our needs not only for the present but the future as well," UAW President Owen Bieber said after the Council meeting in Detroit last Thursday.

• Bieber said the contract's basic ingredient is job security, but it also includes pension increases, protection of health-car benefits without the employes contributing to the cost and a "reasonable and realistic wage increase."

The job security program at Ford is called the Protected Employe Program and has a $280 million investment from the company. Workers laid off because of outsourcing, new technology, productivity or transfer of work will be retrained to take jobs in other locations inside or outside Ford.

There is also a Golden Handshake for workers with 10 years or more seniority who are at least 55 years old which gives them a lump-sum payment from $10,000 to $55,000 to give up their seniority when they take early retirement.

In addition, there is a $30 million new venture fund which allows the company and the union to seek out new business possibilities.

While the moratorium on plant closings protects workers from future cuts, the union was unsuccessful in getting Ford to reconsider closing the eight parts plants it had already announced.

Under the outsourcing agreement, Ford has promised to consult with the UAW when its decision will affect 25 or more workers.

Ford is bringing cars in from the European operations. The Merkur is being imported for the 1985 model year and the Granada will be here by 1987.

• As in the GM agreement, workers get an average 2.25 percent wage increase in the first year of the pact and a 2.25 percent lump-sum payment in each of the next two years.

As at GM, $2.99 of the $3.04 accumulated cost-of-living-adjustment (COLA) was folded into the base wage raising the average rate to $12.83. GM' is $12.82.

Pensions were also increased from $935 a month for early retirement to just over $1,200 a month by the end of the agreement. Regular retirement benefits would increase $3.85 a month per year of service.

There is also a COLA diversion of 13 cents per hour over the three years which will be diverted to the company for certain benefits. That is worth about $29.6 million to the company. The 11-cent COLA travel, the money accumulated in COLA since July, was eliminated for a total COLA loss of 24 cents per hour.

In addition, the union got a prepaid legal services plan, a one-time-only $180 cash payment and a $20 million increase in the Guaranteed Income Stream (GIS) bringing the GIS total to $65 million. The GIS provides laid-off high-seniority workers with paychecks if they are laid off due to outsourcing.

Honda to ship Accord from U.S. to Canada

MARYSVILLE, O. — Honda plans to send about 1,000 Accords built here to Canada during the 1985 model year, and up to 3,000 per model year thereafter until Honda's Canadian plant begins production in 1987.

The U. S.-built Accords will supplement Japanese-built Hondas that are limited by quotas to what is expected to be about 53,000 units this year, said Ralph Luciw, Honda Canada vice president - national automobile advertising. About 45 percent of Honda's Canadian sales have been Accords.

Honda Canada may not receive the maximum allotment from the U. S. because of strong demand for Accords in the States, he said.

A spokesman for American Honda said the 1,000-unit allotment for this calendar year represents about two days' production at Marysville.

Its first-year output of 19,000 Accords is scheduled to rise to 40,000 units by 1989 when the Civic line will be added. Initially, all Canadian-built cars are scheduled to be sold in Canada.

Taking potshots at Henry Ford's business and personal life

Iacocca complains and explains in his life story

By Marjorie Sorge

Lee Iacocca complains and explains in his book Iacocca: An Autobiography (Bantam Books, $17.95).

It is one man's view of his place in automotive history and is, of course, comprised of his personal memories.

It went on sale Oct. 16, his 60th birthday and the sixth anniversary of his joining Chrysler Corp. after his much publicized firing as president of Ford Motor Co. by Henry Ford II.

It is that chapter that most readers will turn to first to find out what Iacocca says really happened.

Iacocca's firing was reported first by AUTOMOTIVE NEWS.

According to Iacocca, he was fired simply because Henry Ford II didn't like him.

"We've just made a billion eight for the second year in a row," Iacocca told Ford. "That's three and a half billion in the past two years. But mark my words, Henry, you may never see a billion eight again. And do you know why? Because you don't know how the (expletive deleted) we made it in the first place!"

Throughout his autobiography, Iacocca takes shots at Ford's personal and business life. In one case, he says Ford asked him how much income tax he paid. Iacocca replied no matter how he cut it, he paid 50 percent of his income.

Ford said he was worried since that year he had to pay $11,000, the first time he'd paid taxes in six years. When Iacocca asked how Ford did it, he said his lawyers took care of it.

"Look," Iacocca said, "I'm not against using whatever loopholes the government allows us. But the guys who work in our factories are paying almost as much as you are! Don't you think you should be paying your way? What about the national defense? What about the Army and the Air Force?"

Such a statement is self-serving as is much of the book and are most autobiographies.

But, still, the book is good reading. It has a bit of everything a book needs to be a best seller—intrigue, mystery and a few telltale lines about the life of the very rich.

Those tales are interesting especially since they are seen through the eyes of a man whose father lost everything during the Depression and had to build it up again. That's similar to the Chrysler situation.

Throughout the book, it is those memories that seem to play a part in many of the de-

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